

Services and Defense Agencies

HIGHLIGHTS

Overview

The FY 2009 budget request organizes, trains, and equips an agile, highly trained, lethal fighting force of 2.2 million Soldiers, Sailors, Marines, and Airmen.

Funding Components

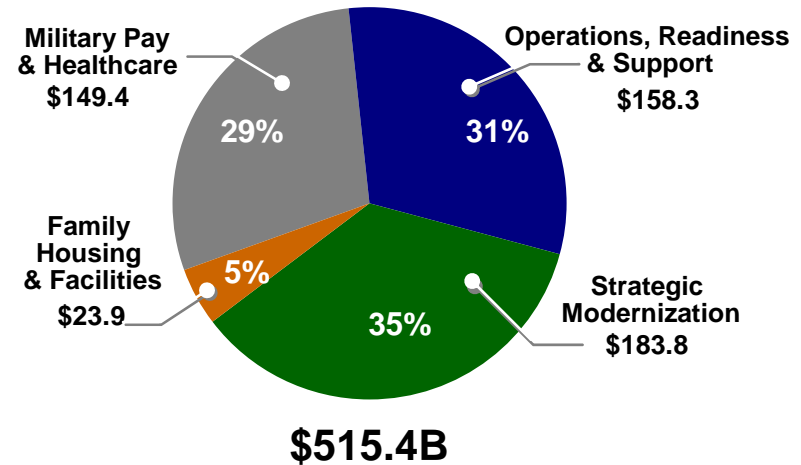
- Department of the Army
- Department of the Navy, including the U.S. Marine Corps
- Department of the Air Force
- Defense-Wide Agencies



FY 2009 Budget by Category

(\$ in billions)

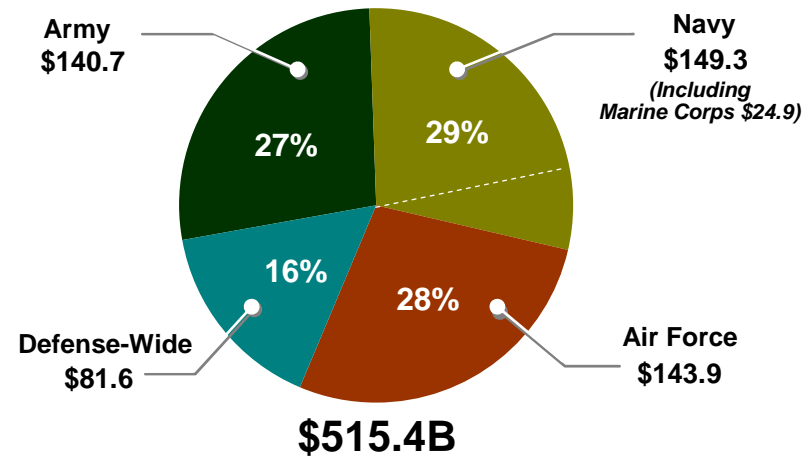
Numbers may not add due to rounding



FY 2009 Budget by Service

(\$ in billions)

Numbers may not add due to rounding



DEPARTMENT OF THE ARMY

Department of the Army

HIGHLIGHTS

Mission

The mission of the Department of the Army is to provide organized, trained, and equipped ground and combat support forces to the Combatant Commanders in support of National Security and Defense Strategies.

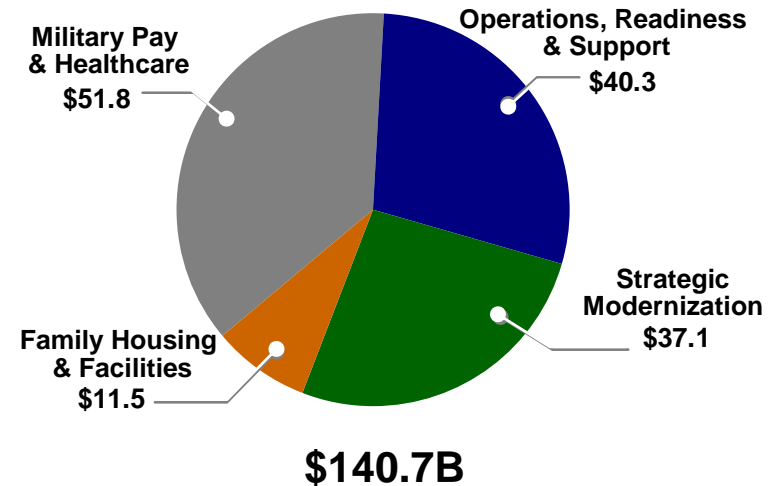
Funding Priorities

- Sustain – Enhancing quality of support for our Soldiers, families, and civilians to preserve the All-Volunteer Force
- Prepare – Readying of Soldiers, units, and equipment to succeed in the current operational environments
- Transform – Continuous, comprehensive evolution of Army capabilities over time to move from the current to the future force

FY 2008 to FY 2009 is a +\$12.3 billion or 9.6% increase

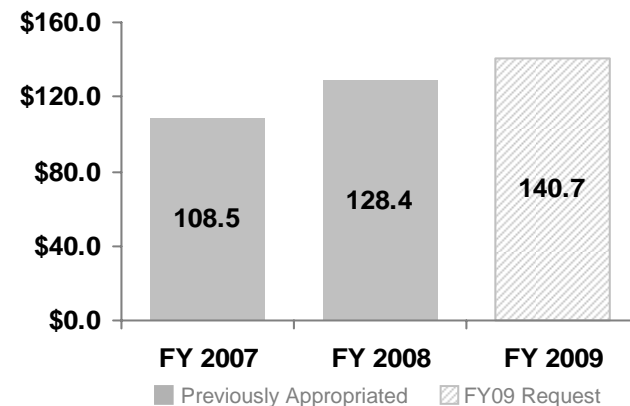
FY 2009 Army Request

(\$ in billions)



Total Annual Cost

(\$ in billions)



Does Not Include GWOT
Numbers may not add due to rounding

DoD FY 2009 Budget Request Summary Justification

Department of the Army <i>\$ in Billions</i>	FY 2007 Actual	FY 2008 Enacted	FY 2009 Request	Delta '08-'09	Percent Change '08-'09
Military Pay & Healthcare	42.4	46.3	51.8	+5.6	12.0%
Operations, Readiness & Support	30.9	35.9	40.3	+4.4	12.3%
Strategic Modernization	29.5	36.3	37.1	+0.8	2.1%
Family Housing & Facilities	5.7	10.0	11.5	+1.5	15.4%
Total Department of the Army	108.5	128.4	140.7	+12.3	9.6%

Military End Strength <i>(in thousands)</i>	FY 2007 Actual	FY 2008 Projected	FY 2009 Request	Delta '08-'09	Percent Change '08-'09
Active Component ¹	522.0	525.4	532.4	+7.0	1.3%
Army National Guard	352.7	351.3	352.6	+1.3	0.4%
Army Reserve	189.9	198.3	205.0	+6.7	3.4%
Total Military End Strength	1,064.6	1,075.0	1,090.0	+15.0	1.4%

Notes: ¹ FY 2007 and FY 2008 Active Component end strength includes 36,000 authorizations funded by GWOT.

Numbers may not add due to rounding

OVERVIEW

The Army remains the strongest fighting force in the world. It is a resilient, committed, professional force. Continued combat over six years, however, has stretched its capabilities. Current operational tempo in the Global War on Terror provides limited recovery time for personnel and equipment. Capabilities are focused on counterinsurgency operations, while full-spectrum preparedness is the Army's goal. The Reserve Component is performing an operational role for which it was neither structured nor resourced. To maintain the all-volunteer force and its ability to respond to the full spectrum of threats, the Department is working to balance to the force.

The FY 2009 President's Budget increases the Army's budget by 10 percent. In addition to the realignment of 36,000 temporary "over strength" personnel to the base budget, the President increased the active Army's strength by 29,000

personnel over five years. This is a combined total increase of 65,000 Soldiers, the most significant increase to Army end strength in more than three decades. This places the Army on a path to stand up 76 brigade combat teams by 2012. Raising Army end strength requires a commensurate increase in recruiting, training, base operations, family support, weapons procurement, and construction. Further, military pay and healthcare funding will increase by 12 percent from FY 2008 to FY 2009. This reflects the military pay raise of 3.4 percent.

*On average, an E6 will realize
a \$1,289 increase in basic pay in 2009.*

The Department places a high priority on family housing and facilities. Therefore, the FY 2009 budget increases by 15 percent over FY 2008 to upgrade and build new family

DoD FY 2009 Budget Request Summary Justification

housing to meet the needs of current and future Soldiers and their families and to provide facilities to accommodate the increase to Army end strength.

FISCAL YEAR 2007 ACCOMPLISHMENTS

Even though the Army has been engaged heavily in combat for an extended period, it has made progress on many of its objectives to increase combat capability. The Army continues its transition from a division-based force structure to a Brigade Combat Team (BCT) modular force structure. The brigade design itself has been changed, as well, making each more capable and deployable than the Army brigade of the recent past. The Army's overall transformation plan is on track to achieve a combined total of 76 modular BCTs by 2012, 48 in the Active Component and 28 in the Army National Guard. 70 BCTs have been converted or are converting through FY 2009 (Figure 2.1). The first phase of the transformation process includes training, manning, and organizing. Equipment transformation will be completed in FY 2015.

- By the end of FY 2007, the Active Component (AC) had built 35 of the 48 programmed BCTs to the modular design. Four brigades were converting in FY 2007; two more in FY 2008. It can take up to 12 months for Active Component heavy and infantry brigades to complete the transition and 24 months for a Stryker brigade.
- The Army National Guard (ARNG) began the switch to modular units in FY 2005 with an accelerated plan allowing early reorganization, manning, and training under the new BCT design. At the end of FY 2007, the ARNG was in the process of transforming 26 brigade combat teams. In FY 2008, all 28 BCTs will be converted organizationally to the modular design. They will be manned and trained by FY 2012.
- The Army Reserve will continue transformation of Combat Support and Combat Service Support structure to modular

Figure 2.1 Brigade Combat Team Modular Conversion Summary

	FY 2007	FY 2008	FY 2009	08-09 Δ
Active Component Converted	35	38	40	+2
Army National Guard Converted	–	–	7	+7
Total Converted	35	38	47	+9
Active Component Converting	4	2	2	–
Army National Guard Converting	26	28	21	-7
Total Converting	30	30	23	-7
Total Transformation	65	68	70	+2

At the end of FY 2007, 65 of 76 programmed BCTs reached E-Date (86%) – E-Dates only begin the process of becoming a Modular Force

- BCT transformation occurs within 12 months of E-Date for AC Heavy BCTs (HBCTs) and Infantry BCTs (IBCTs); 24 months for AC Stryker BCTs (SBCTs); and 48 months for all ARNG BCTs.
- 100% fielding of some equipment items for these units will be an on-going process well past their E-Date. Under current equipping plan, the fielding of programmed items will not be completed until 2015 for BCTs.
- Numbers reflect status as of 30 September for each indicates FY
- **Converted:** Completed initial reorganization and re-equipping to modular design (Unit is MODULAR).
- **Converting:** Undergoing initial reorganization and re-equipping to a modular design (Unit is MODULAR).

106-06

Source: U.S. Army, 20 Sept 2007 SAMAS

units to provide sustainment depth to the Army. By the end of FY 2009, 48 USAR Support Brigades will have completed conversion. In addition, the Army Reserve will rebalance the force by reducing low-demand force structure and increasing high-demand structure needed for operational requirements. In FY 2009, more than 2,000 billets within 34 units will be

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reallocated from legacy administrative and headquarters forces to deployable forces.

In FY 2007, the Army maintained and strengthened its warfighting readiness through a variety of training, mobility, and sustainment programs. Despite a highly dynamic period of rotational deployments, the Army continued to execute its Combined Arms Training Strategy for non-deployed units through the flying hour program and ground systems training. Both were accomplished through live exercises and simulations and have been executed at the appropriate levels, given the Army's deployment requirements and schedule. The Army also completed a rigorous program of tough, realistic combat training at its combat training centers, including 10 Active Component brigade rotations through the National Training Center, 10 brigade rotations through the Joint Readiness Training Center, and five brigade rotations through the Joint Multi-National Readiness Center. The Battle Command Training Program conducted three Corps Warfighter exercises and trained seven division-level command and staff groups.

Sustaining the all-volunteer force remains a fundamental strategic objective. The Army ended the 2007 recruiting year successfully with almost 183,000 men and women becoming Army Strong by joining units across all components. The Active Component and Army Reserve exceeded their accession objectives by achieving 100.5 percent and 100.6 percent, respectively. The Army National Guard, though only achieving 95.2 percent of its accession mission, still exceeded its end strength objective of 350,000 by 2,707 Soldiers.

During 2007, the Army continued a five-year record of achieving goals for retaining Soldiers. Each component exceeded its retention goals, contributing to an aggregate rate across the Army of 109 percent (127,256 reenlistments against a goal of 116,349). The Army continues to reenlist two out of every three eligible Soldiers and one out of every two first-term Soldiers.



U.S. Army Soldiers from Alpha Company, 2nd Battalion, 508th Parachute Infantry Regiment move into position to support Afghan National Police who are moving in to apprehend a suspect during a cordon and search of Pana, Afghanistan.

U.S. Army photo by Staff Sgt. Michael L. Casteel – June 2007

The Army continued to improve base operations support programs worldwide with an emphasis on services, family programs, environmental programs, force protection, and audio visual and base communication services. Facility Sustainment, Restoration, and Modernization (SRM) accounts supported barracks modernization, Army Family Housing and focused facilities sustainment management.

The Army also spent considerable time and resources on Soldier and family well-being efforts, which are inextricably linked to readiness. Well-being programs and family support systems were synchronized with rotation schedules and

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optimized to support deployed units. Army Community Service and Reserve Component family programs provided a network of integrated support services that directly affected Soldier readiness and retention, as well as spouse adaptability to military life during peacetime and through all phases of mobilization, deployment, and demobilization.

The health of our all-volunteer force depends on the health of the family. Families are concerned about funding and support for family programs, physical and mental healthcare, housing, education, childcare, and employment opportunities for spouses. The Army wants to provide Soldiers and their families with a level of support commensurate with their level of service, and the Army established the Family Covenant in direct response to concerns from Army families. Army leaders around the world signed the Army Family Covenant and pledged to support Soldiers' families while they defend the nation.

TRANSFORMATION STRATEGY

In FY 2008, the Army implemented a plan to increase strategic depth, reestablish balance, increase capacity, and reduce the level of stress on Soldiers and units by 2012. One major element of this plan is to raise the Army's end strength by 65,000 Soldiers and to build 48 Active Component BCTs by 2012. This growth will ensure that the supply of forces is sufficient to sustain current and anticipated strategic demands.

The Army also is reforming the Reserve Component (RC). The Army National Guard and U.S. Army Reserve are being utilized to fulfill operational requirements, which enables the Army to sustain its expansive and extended missions, as well as to provide support during national emergencies. In order for the RC to fill this new role, the Army is restructuring units along the modular design, improving equipment so that it matches that of the Active Component (AC), and rebalancing the resident skills and occupational specialties of the Soldiers assigned to RC units.

The Army Family Covenant

We recognize:

- *The commitment and increasing sacrifices that our Families are making every day*
- *The strength of our Soldiers comes from the strength of their Families*

We are committed to:

- *Providing Soldiers and Families a Quality of Life that is commensurate with their service*
- *Providing our Families a strong, supportive environment where they can thrive*
- *Building a partnership with Army Families that enhances their strength and resilience*

We are committed to Improving Family Readiness by:

- *Standardizing and funding existing Family programs and services*
- *Increasing accessibility and quality of health care*
- *Improving Soldier and Family housing*
- *Ensuring excellence in schools, youth services and child care*
- *Expanding education and employment opportunities for Family members*

Source: U.S. Army 106-64

The Army also has begun to employ a new force management tool called the Army Force Generation (ARFORGEN) model. Made possible by the greater number of brigade combat teams and their modular, interchangeable design, ARFORGEN will ensure that enough units are fully ready to fulfill Combatant Commanders' needs. Deployment cycles will become predictable and will include two years of home-station time out of every three for the Active Component (in the current surge environment, but with a goal of three years at home out of every four) and five years out of every six for the Reserve Component.

DoD FY 2009 Budget Request Summary Justification

This will ease stress on the force and provide stability to Army families, which in turn will help recruiting and retention. ARFORGEN depends upon growing the Army and fully implementing the modular force design, both of which are supported by the FY 2009 budget request.

Accompanying these changes is the modernization of combat and support systems, which ensures that Soldiers retain a decisive advantage over all potential enemies. The Army is upgrading existing systems and incorporating new technologies, some developed in response to the specific needs of the unconventional battlefields of Iraq and Afghanistan and some developed through the Future Combat Systems (FCS) program. Ultimately, warfighting units will undergo an evolution in capability when complete FCS brigade combat teams are fielded.

FCS is the core of Army research and development (R&D). The Army's first comprehensive modernization effort in nearly four decades, FCS is designed for full-spectrum operations, from major combat to stability and support activities to defense of the homeland. FCS consists of manned and unmanned ground vehicles, sensors, launch systems, and unmanned aerial vehicles linked by a network that also connects the FCS BCT to the Global Information Grid. This ensures interoperability and secure operations not only with the Army but also with joint and coalition forces. The FCS program will release new technologies as they become available to the field through the spin-out process.

FY 2009 BUDGET REQUEST

The FY 2009 Defense budget includes \$140.7 billion to support the Army's strategic objectives and includes adjustments necessary to support the Army Campaign Plan and Army Modernization Strategy, synchronize Grow the Army decisions with modularization of the force, and incorporate lessons learned from ongoing operations in Iraq and Afghanistan.



U.S. Army Command Sgt. Maj. Gregory Frias points in the direction he wants a Stryker Light Armored Vehicle to stage as it navigates a muddy road during a stop at a combat outpost in Muquadiyah, Iraq. Frias is attached to the 2nd Battalion, 23rd Infantry Regiment, 4th Brigade Combat Team, 2nd Infantry Division.

DoD photo by Spc. LaRayne Hurd, U.S. Army – December 2007

Military Pay and Healthcare (\$51.8 billion)

The FY 2009 budget includes \$51.8 billion for military pay and healthcare, an increase of \$5.6 billion or 12 percent over the prior year. The FY 2009 budget continues the Grow the Army initiative. The most notable aspect of the FY 2009 Army Military Personnel account is the decision to move the requirement for 36,000 personnel previously considered "over strength" from GWOT emergency appropriation requests to the base budget. In addition to this 36,000, the Army included funding to add an additional 7,000 new Soldiers to the force in FY 2009. This is additive to the 7,000 Soldiers added in FY 2008 for a total of 50,000 additional Soldiers funded in the FY 2009 budget. These

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two initiatives will help to ensure that the right number of high-quality Soldiers with the appropriate grades and skills are available to satisfy mission needs.

Operations, Readiness, and Support (\$40.3 billion)

The FY 2009 budget includes \$40.3 billion for operations, readiness, and support, an increase of \$4.4 billion or 12 percent over the prior year.

Recruiting and Training

Recruiting and training are integral contributors to the success of expanding the Army. The Army increased recruiting and advertising programs by 13 percent from FY 2008 to FY 2009. This funding will enable the Army to add 324 recruiters and to expand the number of recruits entering initial training by 37,968 to a total of 98,525. The Army also will add 3,270 Senior Reserve Officer Training Corps (SROTC) scholarships to help grow the officer corps.

One station unit training capability, which combines Basic Combat Training and Initial Skill Training for enlisted personnel, will increase by 19,417 seats, and specialized-skill training capacity in the Active Component by nearly 95,455 seats. Flight training will expand to support the Army's transition to the CH-47F and UH-60M aircraft.

To accommodate the Army's growth, Combat Training Center (CTC) capability will be increased and the focus of exercises revamped. The budget request covers various CTC improvements, such as additional Exportable Training Capability, which includes the support necessary to conduct a BCT-level exercise at home station or other remote training areas. Funding for contractor logistics to support additional training aids, devices, simulators, and simulations (TADSS) at CTCs is higher, as well, and the budget takes into account greater CTC transportation costs.



U.S. Army
Sgt. William
Edward,
from 1st
Squadron,
2nd Stryker
Cavalry
Regiment,
provides
security
while on a
patrol in
Baghdad,
Iraq.

U.S. Army photo
by Spc. Jeffery
Sandstrum
– October 2007

A significant increase in funding to Army National Guard training reflects the mobilization policy that now requires much of the individual and collective pre-deployment training to occur while Soldiers are in pre-mobilization status.

Army Reserve end strength will grow to 205,000 in FY 2009. In line with this goal, the budget funds increased recruiting and retention bonuses and incentives. Pay, benefits, and allowances

DoD FY 2009 Budget Request Summary Justification

for Soldiers on annual training, inactive duty training (drills) and special training status are included. The FY 2009 request also enables 50,000 Reserve Soldiers to attend training at Army schools.

The FY 2009 budget expands and continues the practice of utilizing Army Reserve Soldiers and units to perform day-to-day missions during their drill periods and annual training in order to reduce the demands on the active force. Army Reserve units provide medical care and construct roads for developing countries, conduct professional development schooling for Soldiers of all components, operate communications systems for Combatant Commanders, and perform a myriad of other functions needed to sustain a worldwide defense capability

Modularization

The Army's ability to meet the demands of Combatant Commanders now and in the future hinges on instituting a modular force structure. The FY 2009 budget continues funding for equipment, personnel, and training for the conversions and activations of modular units, including building toward a total of six additional Brigade Combat Teams in the Active Component.

The Army National Guard will continue the conversion from a division-based force to a more readily deployable brigade-centric force and, as part of the Army National Guard Rebalance initiative will convert combat brigades to multi-functional support brigades. Additionally, the Army National Guard and the Army Reserve will continue restructuring to build additional combat support and combat service support organizations.

Soldier and Family Support

The Army is committed to mitigating the impacts of repeated deployments; encouraging mid-grade leaders to remain in service; enhancing the quality of our support to the force; and treating Soldiers, families, and civilians with the dignity and respect they deserve. The Army recognizes the strength of our

Soldiers comes from the strength of their families, and we are dedicated to building a partnership with Army families that enhances their vitality and resilience.

With this in mind, the Army is increasing family programs by 85 percent in FY 2009. These programs provide a full range of services to Soldiers and families to help them respond to transitions, separations, and deployments and to alleviate the everyday stress of military life. Services include Child Development Centers, Family Readiness Group Training, Financial Readiness, Family Advocacy, the Exceptional Family Member Program, and Employment Readiness. The Army also will augment its community recreation programs, which include a variety of activities linked to Soldier readiness and retention, such as sports and fitness programs, libraries, outdoor recreation, recreation centers, arts and crafts, and automotive skills.

Strategic Modernization (\$37.1 billion)

The FY 2009 budget includes \$37.1 billion for strategic modernization, an increase of \$0.8 billion or 2 percent over the prior year. The Army's top ten procurement and research and development programs total nearly half of its request for strategic modernization funds (Figure 2.2).

Research, Development, Test, and Evaluation (RDT&E)

The Army's science and technology investment strategy is focused on enhancing the current force while pursuing long-term objectives and exploration. It has three major investment components: 1) basic research to create new understanding of technologies for future application, 2) turning applied research into militarily useful technology applications in the mid term, and 3) demonstrations of mature technology, in relevant operational environments, that can be applied to acquisition programs in the near term. The entire program is adaptable and responsive to the needs of Soldiers on the battlefield.

DoD FY 2009 Budget Request Summary Justification

Figure 2.2 Army's Strategic Modernization Programs (selected)

System	(\$ billions)
Future Combat Systems <i>(Includes NLOS-C/NLOS-LS)</i>	3.6
Training Ammunition	1.4
Stryker Vehicle	1.3
CH-47 Chinook <i>(Includes Mods)</i>	1.2
UH-60 Blackhawk	1.1
Patriot <i>(MEADS & PAC-3)</i>	1.0
HMMWV	1.0
Family of Medium Tactical Vehicles	0.9
Family of Heavy Tactical Vehicles	0.9
AH-64 Apache Mods	0.8
Total	13.3

Numbers may not add due to rounding

Source: United States Army – Includes RDT&E and Procurement

106-07

A large portion of FY 2009 R&D dollars will be directed to the FCS program, including two key subsystems: the Non-Line-of-Sight Cannon (NLOS-C), which will provide sustained volume of long-range precision fires in all weather conditions; and the Non-Line-of-Sight Launch System (NLOS-LS), which will give the maneuver commander immediately responsive precision fires against high-payoff targets and instant battle damage assessment capabilities. The Army's objective is to achieve initial operating capability for one FCS brigade combat team in FY 2015 and full operating capability of that brigade by FY 2017. In FY 2011, the Army intends to field a package of FCS technologies to existing brigade combat teams.

Procurement

Army acquisition in FY 2009 is geared largely toward completing the equipping of modular brigade combat teams by FY 2015 and modular support brigades by FY 2019, and modernizing existing heavy brigade combat teams and aviation units.

The FY 2009 budget supports procurement of 119 Stryker vehicles, including 79 Mobile Gun Systems and 40 nuclear, biological, and chemical reconnaissance vehicles. The Army also will accelerate implementation of the Warfighter Information Network-Tactical, Increment 1 in FY 2008, bringing initial operating capability to Stryker brigade combat team No. 7 between June and September 2008.

As part of the modernization of heavy BCTs, the Army will reduce Abrams tank variants to two by FY 2013: the M1A2 SEP and the M1A1 AIM. In FY 2009, the Army will initiate procurement of 29 M1A2 SEP tanks, as well as Abrams Power Pack improvements, operational enhancements, field upgrades, Abrams Integrated Management (AIM) tanks, and armor.

To meet the Army's Tactical Wheeled Vehicle modularity requirements and to further modernization of the medium fleet, the Family of Medium Tactical Vehicles program is funded to procure 3,187 trucks and 2,718 trailers with 2.5-ton and 5-ton capacity. The FY 2009 budget also contains money to procure 5,249 HMMWVs, including up-armored M1151A1s, M1152A1s, and M1165A1s with integrated armor.

By FY 2013, the Army also will reduce the Bradley Fighting Vehicle to two variants: the M2A3 and M2A2 Operation Desert Storm (ODS). The request covers procurement of M2A3 and M2A2 ODS Enhanced Version vehicles and upgrades the Bradley's urban survivability capabilities, electrical power, and system architecture.

The request also includes funding for the Family of Heavy Tactical Vehicles, such as the Palletized Load System, flat racks, the Container Handling System, the Movement Tracking System, Heavy Expanded Mobility Tactical Trucks, and the Heavy Equipment Transporter System.

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As part of the aviation modernization effort, the Army in FY 2009 will procure seven Joint Cargo Aircraft; 28 Armed Reconnaissance Helicopters; 36 Light Utility Helicopters; 16 new and 23 remanufactured F-model CH-47s; Apache upgrades and conversions, including 32 Longbow (Block II) models, Target Acquisition Designation Sights/Pilot Night Vision Sensors, and other safety and reliability modifications; 63 Black Hawk aircraft; and aircraft survivability equipment.

Additionally in FY 2009, the Army will fund procurement of 88,964 M4 Carbine/Combat Optics Machine Guns, which will support BCT modularity efforts, and multiple types of night vision devices, including AN/PVS-14, ENVG, AN/PEQ-2A, thermal sights for the Long-Range Sniper Rifle, Laser Target Locating Systems, and AN/VAS-5 Driver Vision Enhancement systems.

Within the missile program, the Army will continue procurement of 108 Patriots/PAC-3s and proceed with the transition from the PAC-3 to the new Missile Segment Enhancement missile.

Family Housing and Facilities (\$11.5 billion)

The FY 2009 budget includes \$11.5 billion for family housing and facilities, an increase of \$1.5 billion or 15 percent over the prior year. The Army is committed to enhancing Soldier and family quality of life by improving housing and base facilities and providing facilities to accommodate the increase to Army end strength.

The FY 2009 Military Construction and SRM programs include funding to build new and to renovate existing military facilities for both the Active and Reserve components. The focus of these efforts is upgrading living conditions and support facilities, both of which are key factors in maintaining readiness and retaining the best Soldiers and their families.

The Army National Guard will concentrate on creating state-of-the-art, community-based installations and training sites that facilitate communications, operations, training, and equipment sustainment. The ARNG's program is centered around six investment areas: ranges, training facilities, maintenance support shops, readiness centers, minor construction, and planning and design.

The Army Reserve construction program will improve local and regional facilities to support the training and readiness of Soldiers and units. The Army Reserve will build new reserve centers and training facilities in communities where our Soldiers and families live and work. The construction program incorporates design improvements, reduces environmental impacts, provides state-of-the-art secure communications, and enhances physical security.

Base Realignment and Closure (BRAC)

The Army's BRAC budget for FY 2009 initiates 83 military construction projects plus planning and design for FY 2010 projects. It fully supports the transformation and re-stationing of the operational force, including Global Defense Posture and Realignment, as well as Reserve Component transformation in 29 states and Puerto Rico.

SUMMARY

The Army's FY 2009 base budget supports modularization, modernization, and end-strength growth. These three intertwined and complementary efforts are essential to the future of the Army and its ability to maintain its position as the world's dominant land force. The funding requested in the FY 2009 President's Budget is necessary to ensure that the Army is ready and able to support the President's national security objectives.

DEPARTMENT OF THE NAVY

Department of the Navy

HIGHLIGHTS

Mission

It is the mission of the Department of the Navy to develop, maintain, organize, train, and equip combat-ready Navy and Marine Corps forces capable of winning wars, deterring aggression, and maintaining freedom of the seas, both today and tomorrow.

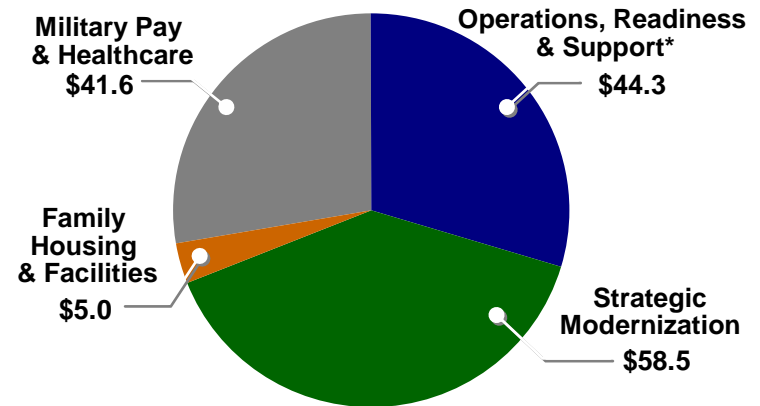
Funding Priorities

- Develop the Total Force
- Aggressively Prosecute Military Contingencies, including the GWOT
- Build the Force for Tomorrow
- Provide First Rate Facilities

FY 2008 to FY 2009 is a +\$10.2 billion or 7.3% increase

FY 2009 Department of the Navy

(\$ in billions)

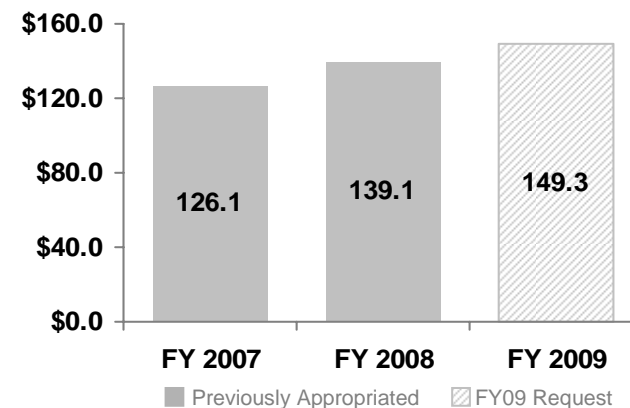


\$149.3B

*Includes ship construction and other investment funding for National Defense Sealift vessels, for which \$1.6 billion is requested in FY 2009.

Total Annual Cost

(\$ in billions)



Does Not Include GWOT
Numbers may not add due to rounding

DoD FY 2009 Budget Request Summary Justification

Department of the Navy <i>\$ in Billions</i>	FY 2007 Actual	FY 2008 Enacted	FY 2009 Request	Delta '08-'09	Percent Change '08-'09
Military Pay & Healthcare	37.8	39.4	41.6	+2.1	5.4%
Operations, Readiness & Support ¹	37.5	40.7	44.3	+3.6	8.8%
Strategic Modernization	48.7	55.3	58.5	+3.2	5.7%
Family Housing & Facilities	2.1	3.7	5.0	+1.3	34.1%
Total Department of the Navy	126.1	139.1	149.3	+10.2	7.3%

Military End Strength <i>(in thousands)</i>	FY 2007 Actual	FY 2008 Projected	FY 2009 Request	Delta '08-'09	Percent Change '08-'09
Navy Active Component	337.5	327.6	325.3	-2.3	-0.7%
Marine Corps Active Component ²	186.5	189.0	194.0	+5.0	2.6%
Navy Reserve	69.9	67.8	66.7	-1.1	-1.6%
Marine Corps Reserve	38.6	39.6	39.6	—	—
Total Military End Strength	632.5	624.0	625.6	+1.6	0.3%

Notes: ¹ Includes ship construction and other investment funding for National Defense Sealift vessels, for which \$1.6 billion is requested in FY 2009. ² Actual FY 2007 end-strength includes over-strength of 11,492, funded from the FY07 Emergency Supplemental. FY 2007 baseline funded at 175,000. FY 2008 end-strength includes over-strength of 9,000 requested in FY 2008 GWOT Request. FY 2008 baseline funded at 180,000. Numbers may not add due to rounding

OVERVIEW

The Department of the Navy requests \$149.3 billion for FY 2009, a \$10.2 billion or 7 percent increase over FY 2008, to support 286 commissioned surface ships, submarines, and other support vessels; associated fixed wing and rotary aircraft; ground support, communications, and logistics capabilities; base infrastructure and community support; military and civilian personnel; and research, development, and procurement. A worldwide presence, credible deterrence capability, ability to project power from naval platforms anywhere on the globe, and the ability to prevail at sea are non-negotiable elements of the U.S. Navy's strategic posture. The health of our economy, security of our people, and stability of our national interests depend on the strength of our maritime strategy. The Nation's

interests are best served by fostering a peaceful global system comprised of interdependent networks of trade, finance, information, law, people, and governance.

Recently, the Chief of Naval Operations and the Commandants of the U.S. Marine Corps and U.S. Coast Guard announced a maritime strategy. *A Cooperative Strategy for 21st Century Seapower* addresses the core capabilities of security, stability, and seapower. Maritime forces remain the first line of defense, and today's naval forces must be able to deploy quickly to difficult locations. Most of the world's population lives near a coastline, and 90 percent of the world's commerce is dependent on safe waterways. Any disruption in international commerce

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has a direct impact on America's quality of life. Seapower is the unifying force and common denominator that enables global security, stability, and prosperity.

Preventing wars is as important as winning wars. There is a tension, however, between the requirements for continued peacetime engagement and maintaining proficiency in the critical skills necessary to fighting and winning in combat. U.S. Navy and Marine Corps forces can surge when necessary to respond to crises. Yet maritime forces must contribute to winning wars decisively while enhancing the U.S. ability to prevent war. Trust and cooperation cannot be surged; they must be built over time, with continuous attention to strategic interests which foster mutual understanding and respect among our international partners.

Today the U.S. and its partners find themselves competing for global influence in an era in which they are unlikely to be fully at war or fully at peace. A range of disruptions can produce cascading and harmful effects far from their sources. Major power war, regional conflict, terrorism, lawlessness, weapons proliferation, and natural disasters all have the potential to threaten U.S. national security and world prosperity. While the enemies of yesterday were predictable, homogenous, hierarchical, and resistant to change, today's enemies are unpredictable, diverse, networked, and dynamic. These enemies do not operate on conventional battlefields. Such changes in the strategic landscape result in more competitors for the U.S. and its friends, more complex contingencies for which the Joint Force must prepare, and a broader range of mission sets for the Department of the Navy (DON). The Department's challenge is to apply seapower in a manner that protects U.S. vital interests globally even as it promotes greater collective security, stability, and trust.

FISCAL YEAR 2007 ACCOMPLISHMENTS

The Navy and Marine Corps team continued to answer the Nation's call, both to maintain the peace – establishing stability and security around the world – as well as fight the GWOT. The Department met its FY 2007 objectives to provide a total workforce capable and optimized to support the National Defense Strategy, to aggressively protect the peace and prosecute the GWOT, while also building the Navy and Marine Corps force for tomorrow. From combat operations in Iraq and Afghanistan to humanitarian assistance and disaster relief throughout the world, the Department of the Navy has proven ready to meet any task and answer any challenge.

Two F/A-18C Hornet aircraft fly over the Nimitz-class aircraft carrier USS John C. Stennis (CVN 74) prior to landing. The John C. Stennis Carrier Strike Group is on a regularly scheduled deployment in the 5th Fleet area of operations supporting ground forces in Iraq and Afghanistan.

U.S. Navy photo by Mass Communication Specialist 3rd Class Jon Hyde – July 2007



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Operations

While operating in the Arabian Gulf, the Carrier Strike Groups and Expeditionary Strike Groups, with their associated forces, conducted missions in FY 2007 in direct support of OIF and OEF and provided a maritime presence in global waters. One surge deployment was also executed under the Navy's Fleet Response Plan.

While operating in the Persian Gulf, the strike groups also conducted Maritime Security Operation (MSO) with coalition partners, operating under international maritime conventions to provide security and safety in international waters, which helped ensure the seas were free, safe, and secure for trade and commerce. In FY 2007, strike groups collectively flew over 40,000 sorties and logged over 105,000 flight hours.

During the past year, Sailors and Marines continued to demonstrate their versatility and flexibility across the spectrum of the GWOT. There are over 11,300 Sailors ashore (including Individual Augmentees supporting ground forces in core mission areas and new capability areas) and 12,000 at sea in the U.S. CENTCOM region alone engaged in the GWOT. Their efforts include maritime infrastructure protection, shallow water interdiction, littoral patrol, combat engineering and construction, explosive ordnance disposal (EOD), and combat operations. Over 23,000 deployed Marines conducted combat operations in Iraq and Afghanistan. Riverine Squadron 1, with more than 100 Sailors, deployed to the Middle East to integrate with Marines from the II Marine Expeditionary Force (II MEF) to conduct maritime security operations along rivers and other inland waterways. The deployment marked the first for a riverine squadron since the Vietnam War.

The Navy and Marine Corps also participated in numerous international and joint training exercises. As a part of the Global Fleet Station (GFS) 2007 exercise, the High Speed Vessel (HSV

2) Swift was deployed to advance two objectives. First as a pilot deployment designed to analyze the GFS concept of a persistent sea base of operations from which to coordinate and employ adaptive force packages within a regional area of interest for the Navy. The second objective was to support U.S. Southern Command objectives for its area of responsibility by enhancing cooperative partnerships with regional maritime services and improving operational readiness for the participating partner nations. Embarked on board Swift was the task group staff and several training teams from various Navy and Coast Guard commands. Marine Corps and Department of State units also hosted information exchanges and training with the partnership countries.

Humanitarian Assistance

Sailors volunteered to provide assistance to help prevent flood damage to homes and businesses from Des Plaines and Skagit River flooding in Illinois and Washington, respectively. When the Interstate-35 bridge collapsed in Minneapolis, Minnesota, the Department of Transportation requested assistance from DoD in recovery efforts. The Navy answered the call by sending 17 divers and a five-person command and control element from Navy Expeditionary Combat Command. In May of 2007, Sailors of Assault Craft Unit (ACU) 5 from Camp Pendleton, California, assisted local firefighters and worked nonstop, loading and off-loading fire engines and other fire equipment.

Aerial delivery of relief supplies to Nicaraguan victims of Hurricane Felix began from USS Wasp (LHD 1) on September 7, 2007, and continued from USS Samuel B. Roberts (FFG 58). The objective of delivering emergency relief supplies was to help local governments and relief organizations achieve self-sufficiency as they rebuilt from Felix's destruction.

The U.S. Naval hospital ship, USNS *Comfort*, returned home after a four-month, 12-country, humanitarian assistance and

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training deployment in Latin America and the Caribbean. *Comfort's* medical crew, Air Force and Air National Guard medical personnel, SeaBees (construction battalions), and international partners helped to treat more than 98,000 patients and renovated and completed construction projects at 27 sites throughout the region.

During Pacific Partnership 2007, the crew of the USS Peleliu undertook a four-month humanitarian mission that included personnel from Navy, Army, and Air Force medical units; the U.S. Public Health Service; U.S. Navy SeaBees; and a fleet surgical team. They joined host nation medical personnel, partner nation military medical personnel, and non-governmental organizations (NGOs) to provide medical, dental, construction, and other humanitarian-assistance programs ashore and afloat in the Philippines, Vietnam, Papua New Guinea, the Solomon Islands, and the Marshall Islands.

Recruiting and Retention

The DON focused its FY 2007 staffing efforts on three fronts: recruiting the right people, retaining the right people, and achieving targeted attrition. Resources were dedicated to those programs best suited to ensuring the proper combination of grade, skill, and experience in the force – the right person for the right job at the right time and place with the right education and the right skills. Navy Recruiting's main objectives are:

- To increase the quality of the Total Force by aggressively seeking qualified Sailors in 71 total occupational fields, or ratings, in both the Active and Reserve components, with emphasis on specific areas: SEALs, Navy Special Warfare (NSW), Navy Special Operations (NSO), Special Warfare Combatant-Craft Crewmen, Explosive Ordnance Disposal, Divers, Hospital Corpsmen, Reserves, and Women in Non-traditional Ratings (Master-at-Arms and SeaBees);

A CH-53E Super Stallion helicopter from Marine Heavy Helicopter Squadron 465 dips its Bambi Bucket into a reservoir to help combat the wildfires burning through Southern California. The Department of Defense teamed up with the California Department of Forestry and Fire Protection to help put out wildfires.

U.S. Marine Corps
photo by Cpl.
Justin L. Wainwright
– October 2007

- To maintain, manage, and mentor a healthy pool of young men and women in the Delayed Entry Program (DEP) in order to smooth the flow of recruits into boot camp; and
- To continue providing needed support to GWOT demands by meeting the mission requirements for the other ratings that support NSW/NSO missions.

The Marine Corps continued to reshape its forces to meet the growing demands of the GWOT and to provide trained forces in support of other contingencies. The Marine Corps Active Component is expected to increase to 202,000 by FY 2011 as approved by the President. The additional forces will enhance the Marine Corps' ability to maintain operations indefinitely

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without drastic changes to procedures, policies, organization, or operations. Additionally, the Marine Corps anticipates continued success in meeting recruiting and retention goals to maintain the planned force level.

Training

Training and education are critical to the continued growth and development of our Sailors and Marines and enhances their contribution to our joint warfighting ability. In FY 2007, the Navy began implementation of Spiral One Sea Warrior – a family of training, education, and career management systems. The Navy also continued to develop its language, regional expertise, and cultural programs to improve communications with adversaries, Allies, and partners.

Marine Corps training and education remained stalwart components of an individual Marine's professional development. The Military Occupational Specialty (MOS) Roadmaps, in particular, continued to guide Marines through general and specific career training, education requirements, and voluntary education. Institutionally, MOS Roadmaps will increase the combat effectiveness of all Marine organizations. Additionally, Marine Corps' distributed operations in FY 2007 placed a premium on the situational awareness and judgment of junior leaders, thereby necessitating enhancements to professional development. These enhancements have been designed to empower individual Marines to assume greater responsibilities utilizing decentralized decision-making and operating in diverse cultures.

Shipbuilding

The future fleet of ships, as represented in the Department's 30-year shipbuilding plan, will sustain operations in forward areas longer, be able to respond more quickly to emerging contingencies, and generate more sorties and simultaneous



attacks against greater numbers of multiple targets and with greater effect than our current fleet. The DON continued to see the future fleet take shape with ongoing ship construction programs including the following:

- Dry Cargo and Ammunition Ship (T-AKE);
- Guided-Missile Destroyers (DDG);
- Nuclear-Powered Attack Submarine (SSN);
- Landing Helicopter Assault - Replacement (LHA(R));
- Carrier Replacement Program (CVN 77);
- Landing Platform Dock Ship (LPD 17);
- Littoral Combat Ship (LCS); and
- Amphibious Assault Ship (LHD 1).

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Aviation Procurement

The DON is in the midst of an extensive, long-term consolidation and recapitalization of naval aircraft to develop the optimum balance between requirements and usage. To sustain global air superiority, in FY 2007 the DON invested in several naval aviation acquisition programs and procured 157 aircraft including: E-2C, T-45TS, F-5E, JPATS, F/A-18E/F, EA-18G, MH-60R/S, MV-22B, AH-1Z/UH-1Y, MQ-8B, and KC-130J.

TRANSFORMATION STRATEGY

The Department of the Navy transformation strategy focuses on prevailing in the Global War on Terror, strengthening joint warfighting capabilities, meeting the needs of the men and women who make up the Navy and Marine Corps, and transforming enterprise management. Major initiatives in support of transformation are:

Prevail in Global War on Terror

- **Swiftly improve high value target tracking and locating capabilities.** The DON budget for FY 2009 supports efforts to develop an enhanced capability to identify threats within the Maritime Domain as early and as distant from our shores as possible, by integrating intelligence, observation, and navigation systems into a common operating picture accessible throughout the USG. The Maritime Domain Awareness initiative will combine the efforts of Federal, state, and local governmental agencies, international governments, non-governmental organizations, and commercial and private enterprises to create an understanding of anything associated with the global maritime domain that could impact the security, safety, economy, or environment of the U.S.

Strengthen Joint Warfighting Capabilities

- **Sustain Special Operations Forces expansion plan.** In FY 2007, the DON took additional steps to enhance recruiting efforts for Naval Special Warfare/Naval Special Operations (NSW/NSO). The unique skill sets in the NSW/NSO communities demand intensive training of exceptionally bright, physically fit and mentally tough individuals. Significant investments in training these operators have been made and the Navy must utilize every available incentive tool to retain them and capitalize on that investment. The Marine Corps Special Operations



U.S. Naval sea cadets execute pushups at the coastline of Little Creek Amphibious Base, VA, during explosive ordnance disposal (EOD)/diving training. The EOD/diving training is a three-week long course that not only educates sea cadets about the naval special warfare community, but also emphasizes teamwork along with individual accomplishments in the team environment.

U.S. Navy photo by Mass Communication Specialist 3rd Class Katherine Boeder

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Command (MARSOC), established in 2006, is a complimentary force that will ease the strain on the elite units of other Services and contribute to the Nation's readiness in the GWOT. Within the next two years, MARSOC will grow to an end strength of 2,600, including 24 foreign military training units that will deploy worldwide in support of U.S. Special Operations Command and the various combatant commanders.

- **Strengthen cultural awareness and language capabilities.** DON continues to focus significant effort on transforming and enhancing its expertise in foreign language, regional expertise, and cultural awareness. Navy implemented a Language, Regional Expertise, and Culture (LREC) strategy that galvanizes and aligns related efforts across the Navy Total Force. The workforce was surveyed for existing language proficiency, bonuses were increased for language competencies, heritage recruiting became a focused effort, a new Foreign Area Officer (FAO) community was established, and training and education programs in regional issues were implemented. To systematically capture foreign language proficiency in the future, Navy began mandatory foreign language screening at military accession points and expanded eligibility requirements for the Foreign Language Proficiency Bonus.
- **Grow the Force.** Today's Marine Corps shoulders a critical part of the GWOT with over 32,000 Marines forward deployed. Fighting across the spectrum of conflicts, the USMC's ability to sustain deployed forces for extended periods supports COCOMs prosecuting the war throughout the world. To posture forces for the GWOT and support the Marine Corps' aggressive deployment tempo, the Marine Corps is in the process of increasing its active duty end strength to 202,000 Marines no later than FY 2011. This additional end strength will provide a balanced operating force

that will be large enough to sustain a 1:2 deployment-to-dwell ratio. Achieving this operating tempo ensures that Marines have the time to train for the full range of military operations as well as continuing the nation's fight against global terrorism. The Marine Corps continues to emphasize priorities that ensure success of the Grow the Force initiative, including increases in recruiting and personnel retention incentives, adjustments and increases in force structure and facilities, and transformational shifts in training support. Accordingly, the DON budget supports a considerable increase in end strength funding.

Focus on People

- **Provide a total workforce capable and optimized to support the National Defense Strategy.** The DON continues to focus on sizing, shaping, and stabilizing the total force to apply the right skill sets to projected requirements in the most cost efficient manner. Development and retention of quality people are vital to continued success. America's naval forces are combat-ready largely due to the dedication and motivation of individual Sailors, Marines, and civilians. The FY 2009 budget reflects leadership priorities to support quality of life improvements for Service members and families.

Transform Enterprise Management

- **Continue Navy Enterprise Resource Planning (ERP) Implementation.** Navy ERP will integrate and improve Navy processes for logistics, acquisition, and financial operations. The first major command to implement an ERP system was the Naval Air Systems Command on October 1, 2007. The program is a cornerstone of the DON's business transformation strategy and a key enabler to transform business processes, which will increase productivity and generate efficiencies.

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- **Adopt Lean Six Sigma Methodology.** Lean Six Sigma (LSS) has been implemented throughout the DON to create dollar and readiness assets in service, support and transaction processes. The DON's major commands have launched Lean Six Sigma training programs and are applying LSS concepts, techniques, and tools to various segments of business operations, which should result in process efficiencies.

BUDGET REQUEST

The FY 2009 budget fully supports the Department's maritime strategy, as well as the recently published "Department of the Navy Objectives for FY 2008 and Beyond." The strategy objectives also support the strategic guidance established by the Secretary of Defense and focus on key efforts that will increase the effectiveness of the entire Department. Working from the FY 2008 President's Budget, the DON has built on the foundation of three sets of guidance in constructing FY 2009 budget submissions. The 2006 Quadrennial Defense Review, the Strategic Planning Guidance, and the GWOT Campaign Plan delineated many consistent and clear requirements for the Joint Force. The FY 2009 budget balances capabilities to support traditional and irregular warfare demands while transforming a blue water Navy into one that can fight and win in the blue, green, and brown waters, and expanding the lethality of the Marine Corps. The FY 2009 budget will enable the Navy to:

- Provide a total Navy workforce – Recruit, retain, and train personnel to provide the workforce needed for the 21st century;
- Aggressively prosecute any military contingency, such as the GWOT – Provide a persistent forward presence for proactive shaping, disrupting, and attacking terror networks and for readiness to conduct conventional campaigns;
- Build the force for tomorrow – Procure a fleet that is



capabilities based, threat oriented, and ready to defeat any potential adversary;

- Safeguard people and resources – Integrate safety and risk management into all on and off-duty evolutions;
- Strengthen ethics as a foundation of exemplary conduct – Reinforce core values as a framework for making decisions and;
- Provide first-rate facilities for our personnel – Support Quality of Life programs and align shore infrastructure to provide effective support to the fleet.

America's Marines remain fully engaged in the fight for freedom around the globe. The FY 2009 budget submission will support those at war today, while ensuring Marines are ready to serve

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the Nation tomorrow. To meet these responsibilities, the Marine Corps must simultaneously train, maintain, reconstitute, and modernize its force, and the Commandant has charged Marines at every level to focus the resources available, including time and effort, on accomplishing a number of important objectives:

- Achieve victory in GWOT;
- Grow the Force;
- Provide the Nation a naval force that is fully prepared for employment across the spectrum of conflict; and
- Reset and modernize to be ready when the Nation is least ready.

The Department of the Navy's FY 2009 budget supports a forward posture and readiness for agile response. It positions the DON to play an integral role in global maritime security and humanitarian efforts, alongside other Federal and international agencies. The Department continuously trains for humanitarian assistance missions in order to respond rapidly and efficiently to large-scale disasters and to reduce loss of life and human suffering.

FY 2009 BUDGET HIGHLIGHTS

FY 2009 funding priorities are balanced to support the right Navy and Marine Corps team for the future Joint Force.

Provide a Total Naval Workforce

Navy Strength

Manpower adjustments were made to further align the DON's Total Force to mission objectives. Navy manpower is increased for the new Naval Expeditionary Combat Command (NECC) to meet growing GWOT requirements. This increase was more than offset by a decrease in active manpower based on force structure reductions and civilian and/or contract labor.

Marine Strength

The FY 2009 submission fully supports the President's Grow the Force initiative. The Marines will grow by 27,000 and transition to an active duty end strength of 202,000 no later than FY 2011. The Marine Corps has rebalanced the baseline program to shift resources from conventional to irregular capabilities and capacities. As part of the President's plan, the Marine Corps will grow to sustain three balanced Marine Expeditionary Forces (MEFs). This growth will occur in stages. In FY 2009, the Marine Corps will add over twenty types of combat, combat support, and combat service support units.

Civilian Personnel

Civilians are an integral part of the DON's total workforce, consisting of military, civilian, and contractor personnel who support the mission and functions of the Navy and Marine Corps. To support the Total Force view, competency-based management is being introduced to align critical skills and capabilities across all segments of the workforce. Authorized in the FY 2004 National Defense Authorization Act, the National Security Personnel System provides flexibility in hiring and managing civilian workers and links pay and performance to the mission and accomplishment of organizational goals.

Aggressively Prosecute Any Military Contingency, including the GWOT

Readiness

The DON budget reflects a commitment to properly price and fund readiness to meet the demands of the COCOMs in the near term. Funding the Fleet Response Plan (FRP) to 6+1 meets essential COCOM readiness and surge requirements. Additionally, the budget funds 45 deployed steaming days per quarter and 22 non-deployed days per quarter in FY 2009, which

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sustains FY 2008 budgeted steaming levels and is sufficient to meet baseline readiness needs while fully supporting contingency operations, including the GWOT.

Build the Force for Tomorrow

Maritime Domain Awareness

Support is increased for the Navy's efforts to develop an enhanced capability to identify threats within the Maritime Domain as early and as distant from U.S. shores as possible by integrating intelligence, observation, and navigation systems into a common operating picture accessible throughout the USG.

Shipbuilding

The next generation of aircraft carrier, the Ford Class or CVN-21, will be the future centerpiece of the carrier strike group and a major contributor to the future Expeditionary Strike Group. CVN-21 has a major role in Sea Shield, projecting Navy combat power anywhere in the world.

The DDG 1000 program, formerly the DD(X) program, is the next generation of multi-mission surface combatants tailored for land attack and littoral dominance, with capabilities designed to defeat current and projected threats. The FY 2009 budget provides funding for DDG 1002, the third ship of the class, and advance procurement funding for DDG 1003.

The Navy continues the effort to modernize the fleet of SSN, SSGN, and SSBN submarines. Virginia Class fast attack submarines have joined the existing fleet of SSN-688 and Seawolf Class ships to project power covertly throughout the world's oceans. The FY 2009 budget accelerates achievement of an annual procurement rate of two Virginia Class SSN hulls to FY 2011 from FY 2012.

Aviation

Navy and Marine Corps aviation continues to be at the forefront of the Nation's defense. The FY 2009 budget supports the best balance of naval aviation requirements. The Department continues to decrease the average age of the aircraft inventory to 17 years in FY 2009, from a high of above 20 years in the 1990s and 18 years in 2006. Based on the current Future Years Defense Program (FYDP) procurement plan, the average age will approach 14 years by 2013.

Multi-year procurement contracts for F/A-18E/F, EA-18G, MH-60R/S, MV-22B, and KC-130J have enabled the Department to realize significant savings. Development funding continues for the P-8A and CH-53K. The FY 2009 budget includes Low Rate Initial Production (LRIP) for three E-2D aircraft and eight F-35 Short Take Off and Vertical Landing (STOVL) variants.



Two U.S. Marine Corps KC-130J Hercules aircraft from Marine Aerial Refueler Transport Squadron 352 stagger themselves during an air refueling training exercise off the coast of San Diego, CA.

U.S. Marine Corps photo by Lance Cpl. Kelly R. Chase – February 2007

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Weapons

Continued investments in advanced technology ensure conventional warfare advantage for the U.S. Examples include the Navy's investment in the SM-6 standard missile and its associated Naval Integrated Fire Control – Counter Air (NIFC-CA) capabilities, the next-generation maritime surveillance aircraft, and weapons to attack moving targets (dual-mode Joint Direct Attack Munition (JDAM) and Hellfire). The DON took calculated risk in funding solutions for these challenges.

Provide First-Rate Facilities

The FY 2009 budget request achieves the DON's key goals, financing 106 military construction projects for the active Navy and Marine Corps and five military construction projects for the Navy and Marine Corps Reserves. To support the Grow the Force initiative and the Marine Corps growth in end strength over the next five years, additional military construction to accommodate, train, and house these personnel and their families is required. The DON has concluded detailed facilities planning that has restructured and refined the military construction baseline and provides an executable profile to support and sustain three balanced Marine Expeditionary Forces. The budget also continues to fully support the Marine Corps' initiative to achieve 2+0 Quality of Life standard room design by FY 2012.

SUMMARY

Support of the Department of the Navy FY 2009 budget is critical if the Navy and Marine Corps are to achieve their missions to support the DON transformation strategy. This budget delivers a proposal that rebalances, recapitalizes, and sustains the force; stabilizes the long range shipbuilding plan; and continues to pursue aviation sustainment, recapitalization, and modernization in anticipation of a new long range aviation



procurement plan. The FY 2009 budget seeks a balance between the traditional, the irregular, and the transformational, while recapitalizing and building the force. Readiness is properly priced and funded to meet the demands of COCOMs. Warfighting capability investments support all national military strategy goals, while procuring a 313-ship Navy and its associated capabilities. The DON is funded to procure 47 ships and 1,102 airplanes during the FYDP. It supports the right-sized force, trained and ready for tasking in any waterway of the world to meet both traditional and irregular threats.

DEPARTMENT OF THE AIR FORCE

Department of the Air Force

HIGHLIGHTS

Mission

It is the mission of the Department of the Air Force to deliver sovereign options for the defense of the United States of America and its global interests – to fly and fight in air, space, and cyberspace.

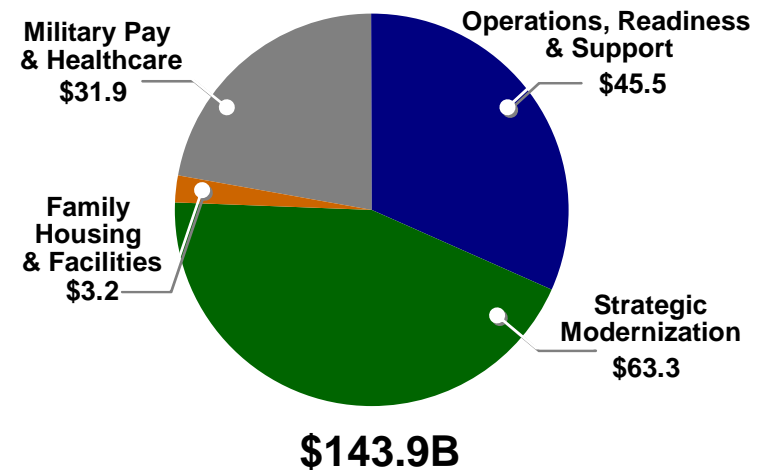
Funding Priorities

- Winning Today's Fight
- Taking Care of Our People
- Preparing for Tomorrow's Challenges

FY 2008 to FY 2009 is a +\$9.6 billion or 7.1% increase

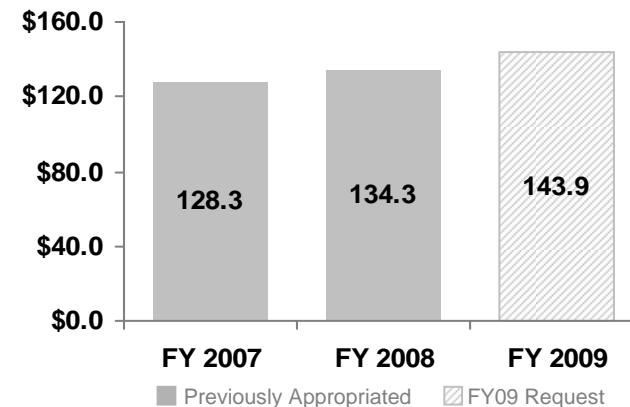
FY 2009 Air Force Request

(\$ in billions)



Total Annual Cost

(\$ in billions)



Does Not Include GWOT
Numbers may not add due to rounding

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Department of the Air Force <i>\$ in Billions</i>	FY 2007 Actual	FY 2008 Enacted	FY 2009 Request	Delta '08-'09	Percent Change '08-'09
Military Pay & Healthcare	30.2	30.8	31.9	+1.1	3.5%
Operations, Readiness & Support	38.6	40.8	45.5	+4.7	11.6%
Strategic Modernization	55.8	58.9	63.3	+4.4	7.4%
Family Housing & Facilities	3.7	3.8	3.2	-0.6	-15.7%
Total Department of the Air Force	128.3	134.3	143.9	+9.6	7.1%

Military End Strength <i>(in thousands)</i>	FY 2007 Actual	FY 2008 Projected	FY 2009 Request	Delta '08-'09	Percent Change '08-'09
Active Component	333.5	328.6	316.6	-12.0	-3.7%
Air Force National Guard	106.3	106.7	106.7	—	—
Air Force Reserve	71.1	67.5	67.4	-0.1	-0.1%
Total Military End Strength	510.9	502.8	490.7	-12.1	-2.4%

Numbers may not add due to rounding

OVERVIEW

The U.S. Air Force is unsurpassed in the world because of its technology, combat experience, and military prowess. To maintain these capabilities, the FY 2009 budget increases the Air Force's funding by 7 percent. Nonetheless, the challenges of 17 years of contingency operations have weighed heavily on the Air Force – Operations Desert Shield, Desert Storm, Northern Watch and Southern Watch, Operation Noble Anvil, Operations Enduring Freedom, Operation Iraqi Freedom, and Operation Noble Eagle.

For the Air Force, manning for Iraqi deployments began in 1990, and there have been no breaks in the high operations tempo (OPTEMPO) since then. It has been 17 years of continuous combat in which the Air Force delivered decisive military power on a global scale. While accomplishing today's mission, Air Force leaders are concerned about the pace of modernization

and recapitalization in light of emerging threats across the spectrum of air, space, and cyberspace.

Winning today's fight, taking care of our people, and preparing for tomorrow's challenges are the Air Force's highest priorities. The FY 2009 President's Budget supports these priorities, ensuring the Air Force's ability to support Combatant Commanders worldwide and to operate effectively in the joint warfighting environment today and the uncertain environment of the future.

FISCAL YEAR 2007 ACCOMPLISHMENTS

The mission of the U.S. Air Force is to deliver sovereign options for the defense of the U.S. and its global interests—to fly and fight in air, space, and cyberspace. Sovereign options refers to the spectrum of choices that the Air Force's air, space, and cyberspace capabilities offer U.S. policy makers for determining

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when, how, and where to engage an enemy. In peacetime, these options include activities that compel positive behavior through means short of war, by moving forces into contested regions as a show of commitment, and providing humanitarian aid. In wartime, Air Force capabilities provide a range of options including actions in conjunction with Allied ground forces, or direct attacks and strikes against enemy centers of gravity to accomplish strategic outcomes. These options provide the nation with credible and scalable options to counter potential enemy actions and increase U.S. influence. The Air Force accomplishes this mission in a very challenging and dynamic environment while ensuring that the Nation's most critical warfighting needs are met. FY 2007 marked another year of fighting a war and supporting humanitarian needs at home and abroad. The wars in Iraq and Afghanistan continue to stress our equipment and people.

Most sorties in OIF and OEF are flown by the Air Force, and during FY 2007, the Air Force:

- Flew over 80,000 sorties;
- Carried out an average of 300 sorties each day, including close air support, strike, inter- and intra-theater airlift, refueling, aero-medical evacuation, and Command, Control, Communications, Computer, Intelligence Surveillance, and Reconnaissance (C4ISR); and
- Conducted more than 900 air strikes, employing more than 2,600 air-to-ground weapons.

These operations are supported by more than 25,000 Airmen who are deployed in support of the Central Command area of responsibility.

In OIF alone, the Air Force delivers the equivalent of 3,500 trucks worth of cargo per month. As a result, more than 8,600 people do not have to traverse dangerous roads to transport cargo, allowing the Army and Marines to retask those vehicles and associated troops to other missions. The focus of



A C-130 Hercules combat drops cargo during an exercise. The Hercules primarily performs the intratheater portion of the airlift mission. The aircraft is capable of operating from rough, dirt strips and is the prime transport for paratropping troops and equipment into hostile areas. Four decades have elapsed since the Air Force issued its original design specification, yet the remarkable C-130 remains in production. *U.S. Air Force photo*

this airlift is to provide the capability to deploy the Nation's armed forces anywhere in the world and help to sustain them in a conflict. The Air Force also provides vital lift assets to keep the homeland secure and to respond to crises at home. In the fall of 2007, Air Force Reserve C-130s supported civil and military forces engaged in battling wildfires in southern California. In FY 2007, the Air Force's airlift mission delivered maximum warfighting and humanitarian relief through rapid and precise delivery of global air mobility, including humanitarian support at home and around the world. Additionally, air refueling capability provides the lifeline of Global Reach – the capability to move people and equipment across the world quickly, ensuring the right force – increasing range, payloads, and flexibility. Increasingly, U.S. Allies rely upon America's airlift capabilities around the world. In FY 2007, Air Force members supported the Rwandan military by moving United Nations

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armored personnel carriers, Rwandan soldiers, food, medicine, and equipment in and out of the Darfur region.

In an effort to address emerging missions, the Air Force established a Cyberspace Task Force and stood up a provisional Air Force Cyberspace Command. Cyberspace dominance goes beyond communications and Information Technology (IT). It requires superiority across the entire electromagnetic spectrum, which includes radio waves, microwaves, infrared, x-rays, directed energy, and applications the Air Force has yet to discover and exploit. The primary mission of this new command is to integrate global kinetic and non-kinetic strike capability and to organize, train, and equip to ensure the full spectrum of integrated global effects. The Command will be responsible for integrating cyber and physical weapons on targets. This new command stands alongside Air Force Space Command, Air Mobility Command, and Air Combat Command as the provider of forces for preserving the freedom of access and commerce in air, space, and cyberspace. Full Operational Capability of this command is projected for October 2009.

The mission of the Air Force necessitates quality people performing at optimal levels. Recruiting and retaining the right people and skill sets is key to ensuring the Air Force workforce will be available to execute today's missions, while preparing for tomorrow's. In FY 2007, the Air Force met its overall recruiting goals and focused on filling needs in career fields with shortfalls such as para-rescue, linguists, and security forces. Bonuses and incentives are one tool to attract this talent. These investments save time as well as money recruiting and training for new personnel. Congressional support for these programs – along with increases in pay, benefits, and quality of life initiatives – has kept recruiting on target to meet goals and allowed retention of the right people in these career fields.

While recruiting talent and maintaining the correct force balance, the Air Force must also meet reduced end strength levels. For



U.S. Air Force Pararescuemen from the 58th Rescue Squadron out of Nellis Air Force Base, Nev., conduct military operations in urban terrain training, as part of the exercise Angel Thunder in Playas, N.M. The exercise is a combat search and rescue (CSAR) exercise designed to provide realistic CSAR task force training that tests theater spin-up capabilities and examines the integration of all Air Force assets in mission planning procedures and mission execution.

U.S. Air Force photo by Senior Airman Christina D. Ponte – July 2007

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the past few years, the Air Force has been working to balance and reduce its end strength to authorized levels. From FY 2004 through FY 2009, the Air Force is decreasing its end strength by about 60,000. The goal is to get to approximately 316,600 active duty personnel by the end of FY 2009. To meet this goal, the Air Force is offering voluntary separation pay to officers in overage career fields, and a Selective Early Retirement Board will convene to identify retirement-eligible officers for early retirement if necessary. Achieving these reductions will be difficult, and the new end strength levels will demand transformation of many practices, policies, and behaviors.

The high tempo of military operations—and the demand placed on people and resources—has led the Air Force to turn more and more to its Reserve and National Guard partners to balance the force. Recognizing that this reliance will continue to be a feature of Air Force operations and that the partnership has led to enhanced capability across the Total Force, the Air Force has embraced the Total Force Integration (TFI). Expanding the Reserve associate unit program, where reservists operate and maintain equipment with their active duty counterparts and which has been traditionally successful in the mobility arena, to include the National Guard and a variety of weapons systems is one of the key initiatives. The Air Force has established associate units at multiple locations for a variety of aircraft. These include F-22s in Virginia and Alaska, C-17s in Hawaii, F-16s in Utah, and C-130s in Wyoming. Also, Guardsmen are analyzing GWOT intelligence in Kansas, and Reservists are flying operational GWOT unmanned aerial system missions from Nevada.

TRANSFORMATION STRATEGY

Transformation across the Air Force includes changes in operational concepts, organization, and/or technologies that significantly improve warfighting capabilities or ability to meet the demands of a changing security environment.



The Air Force continues to implement the Air Force Smart Operations for the 21st century (AFSO21) initiative. Led by the Secretary of the Air Force, this initiative focuses on new ways of meeting warfighter requirements to generate efficiencies and improve combat capabilities across the Air Force. Proven efficiency processes like Lean and Six Sigma, theory of constraints, and business process reengineering principles, govern the initiative. The ultimate goal is to establish an environment where various tools and techniques are employed to change the Air Force's day-to-day operating style and fully integrate continuous improvement into the full spectrum of Air Force operations.

Another transformational initiative, introduced in the last section, that has been undertaken to change operational concepts is TFI, which was discussed in the last section and combines the current Air Force Strategic Plan goal to "improve the total force quality of life" and the 2006 Quadrennial Defense Review (QDR)

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recommendations for “Developing a 21st Century Total Force.” Today’s senior leaders believe “the Total Force is one force” including Regular Component, Air Force Reserve, Air National Guard, Air Force civilians, and contractors. In a reconfigured Total Force, there must be expanded opportunities to integrate personnel from all Total Force components. These efforts enable the Air Force to meet the challenges of a shrinking budget, an aging aircraft inventory, and emerging missions and to capitalize on the inherent strengths of the Air Force, ensuring partnership among elements of the Total Force in virtually every facet of Air Force operations.

The current Air Force Strategic Plan also calls for retirement of legacy aircraft to ensure the right force mix while investing in technologically superior systems. The air and space inventory that the U.S. relies on today is largely what Congress appropriated 20 or 25 years ago. The aging inventory must be recapitalized and modernized to prepare for an uncertain, complex, and threatening future. This effort includes retiring old and obsolete aircraft and replacing them with fewer numbers of more capable systems. The Air Force’s top five procurement priorities are a step in that direction and are: the Tanker program, Combat Search and Rescue (CSAR-X) program, Space programs including TSAT and SBIRS, the Joint Strike Fighter (F-35), and the New Bomber (Figure 2.3, p. 51).

The QDR’s vision for joint air capabilities includes systems with greater range and persistence, larger and more flexible payloads, the ability to penetrate and operate in denied areas, and the ability to destroy moving targets in all weather conditions. To achieve this, the Air Force is making changes in the strategic bomber fleet. The resources made available by these changes will go toward modernizing the remaining B-52 fleet, along with B-1s and B-2s.

Procuring new aircraft and space systems on schedule and at reduced cost requires transformation of the Air Force’s

acquisition processes. A number of projects have contributed to the improvement of acquisition, and FY 2009 promises more progress. For example, the Air Force is working to establish and enforce standards for transparency in acquisition and other business processes that are commensurate with “best-in-class” public and private sector organizations. Financial transparency is essential to good governance, and good governance is vital to ensure that the Air Force can produce and field systems to fly and fight. The Air Force will continue to perfect the processes that promote good governance through transparency and accurate, reliable, and timely life cycle financial data throughout the Planning, Programming, Budgeting, and Execution (PPBE) process. The Air Force has revitalized its Acquisition Strategy Panel, providing a systematic and disciplined approach to acquisitions. The Air Force Review Board process provides a structured, repeatable system that aids decision making on critical aspects of selected acquisition programs. The periodic review processes have been streamlined by combining several independent reviews into a single event, saving both preparation and travel time.

IT modernization efforts are moving forward rapidly, and the Air Force should reach its targets for 2012, ahead of schedule. AFSO21 IT initiatives – such as server and help desk consolidation, standard desktop configuration, and the adoption of industry best practices – will drive down total cost of ownership (TCO). The standard desktop configuration alone will bring TCO down by over \$140 million. These and other initiatives will yield nearly \$120 million in savings over the next two years, while only requiring a \$7 million investment. The Air Force’s goal over the next six years is to go from a Service-wide total of 1,700 separate systems and 19,000 applications to 700 systems and 10,000 applications. The eventual goal is to have fewer than 100 systems and 1,000 applications. Air Force logistics is leading this wave of transformation with its Expeditionary Combat Support System (ECSS) enterprise

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resource planning suite. ECSS will merge base-level and wholesale logistics systems, and integrate a number of logistics business functions. This will result in the migration from over 400 systems to fewer than 10 by 2012.

FUNDING PRIORITIES

The Air Force's funding priorities support the Department's priorities: winning today's war, taking care of our people, and preparing for tomorrow's challenges. The Air Force budget was developed on four funding "pillars"—people, readiness, infrastructure, and modernization. These four "pillars" provide the funding for the Air Force's overarching capabilities—Global Vigilance, Global Reach, and Global Power.

Economic realities such as rising personnel costs and the increasing cost of fleet operations (Depot Programmed Equipment Maintenance, Contractor Logistics Support, and Flying Hour Program) underscore the need to recapitalize. Operating costs have increased steadily over the last 10 years and investment funding for modernization of the Air Force as a percent of Total Obligation Authority has declined over the past 22 years. Together with a high OPTEMPO and a smaller, older fleet, these developments have resulted in declining readiness since 2001.

People

Despite these economic realities, taking care of people is still a priority for the Air Force. However, maintaining this priority comes with a price. The Air Force will continue to fund increases in base pay, cost of living allowances, basic allowances for housing and subsistence, retirement pay accruals, and taxes. These items are required to maintain the force at the standard of living that will attract and retain Airmen. Additionally, the Air Force will continue to fund retention initiatives to keep quality Airmen on active duty. For example, major programs include



U.S. Air Force 2nd Lt. Robert Arena sits in his A-10 Thunderbolt II aircraft after completing the first A-10 pilot initial qualification course at Davis-Monthan Air Force Base, AZ.

U.S. Air Force photo by Senior Airman Christina D. Ponte – August 2007

initial enlistment/selective reenlistment bonuses, aviator continuation pay, professional special pays, foreign language proficiency pay, and programs to increase regional affairs and political-military affairs strategists.

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Readiness

Air Force readiness requires adequate flying hours for training aircrews, maintaining a fleet of over 5,600 aircraft, and funding 84 major installations and 1,200 pilots. It also includes support and training programs to develop Airmen for the expeditionary environment and to keep them prepared to deploy when and where they are needed. The Air Force must also conduct space control and satellite operations for over 140 Department and national satellites and operate two space lift ranges, while providing global, seamless command and control and interoperable communications.

Infrastructure

Infrastructure continues to support the Air Force's top three priorities. While infrastructure is a foundation for all facets of mission accomplishment, the Air Force is accepting risk in this area to free up funds for transformation and weapons modernization, both of which must be balanced against rising business operations costs (e.g., rising utility and manpower costs). This does not mean that this area is being neglected. The FY 2009 request funds 49 construction projects worldwide, including mission beddowns for F-35, F-22, and C-17, improved joint training and repair facilities, six Quality of Life projects, and five in support of CENTCOM operations. The FY 2009 budget sustains an infrastructure plant worth more than \$240 billion. Funding for military family housing remains focused on revitalizing overseas housing and completing the initiative to revitalize housing here at home; as privatization continues, costs for Basic Allowance for Housing increase (discussed in the People Section) while military family housing costs decline. Finally, the FY 2009 program continues construction activities in support of recommendations of the 2005 BRAC Commission and the Air Force commitment to meet BRAC closure deadlines of September 2011.

Modernization

The final key to success is the Air Force's modernization effort. The Air Force continues to become more capable, more efficient, and more lethal. Modernization includes aggressive divestment of legacy platforms, significant investments in new platforms with increased capabilities and reliability, and a focus on maintaining a responsive modern individual base. Meanwhile, the average age of inventory continues to increase. The average age of aircraft is now 24 years and the aircraft recapitalization rate is approaching 50 years.

FY 2009 BUDGET REQUEST

Formulating a budget today requires an appreciation for the impact financial decisions have on the Air Force's ability to respond to multiple threats around the globe with a wide range of capabilities. The current Air Force Strategic Plan states that "persistent, lethal, overwhelming Air, Space, and Cyberspace power massed and brought to bear anywhere, anytime" is the common foundation for the Air Force today and in the future. To ensure that this foundation is sustained as effectively and efficiently as possible, it is important that the Air Force know the impact of budget decisions.

The Air Force will continue to refine its methods for understanding how performance affects priorities. The Strategic Plan addresses new responsibilities for aligning performance measures with Air Force priorities, goals, and objectives. The Air Force has established "Priority Champions" and "Objective Champions" aligned to each priority, goal, and objective. This new process for looking at performance measures will demand additional accountability for meeting strategic goals at the Secretary of the Air Force and Chief of Staff of the Air Force level and in an "enterprise-wide" manner. Continuing to refine measures and metrics will be a major step toward ensuring that strategic priorities are achieved.

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To ensure the ability to fulfill roles and missions and dominate air, space, and cyberspace, the Air Force has embarked on the biggest and most important recapitalization and modernization effort in its history. The dynamic nature of the world's geopolitical climate and the increasing pressures of an extended warfighting posture require continual analysis and adjustments to the Air Force budget. Summarized below are highlights of the FY 2009 budget request organized around the four pillars.

People

The FY 2009 budget request includes a 3.4 percent across-the-board pay raise for officer and enlisted personnel, a 4.9 percent increase for Basic Allowance for Housing, and an increase to Permanent Change of Station (PCS) funding. The change in PCS is to support full value replacement of household goods and increases the amount allowed for moving household goods as part of the Department's *Families' First* program. These funding increases are offset by decreases in officer and enlisted end strength.

Readiness

The FY 2009 request includes increases for aviation fuel, inflation, utilities costs, and aircraft depot maintenance and contract logistics support. Targeted increases in key readiness areas such as realistic live fire combat training, individual combat skills, and intelligences application are also funded. These increases are offset by decreases in flying hour training due to planned OPTEMPO demands, increased usage of flight simulators, and reduced operational costs due to the retirement of the F-117.

Infrastructure

The FY 2009 budget includes increases for Facility Sustainment at 90 percent of the requirement, the Pentagon Reservation Maintenance Fund, and Base maintenance contracts. Military construction project funding is nearly at the FY 2008 President's Budget requested levels.



Multiple C-130 aircraft taxi in at Nellis Air Force Base, after completing airdrop missions during the Mobility Air Forces exercise over the Keno range in Nevada. The exercise is hosted by the 57th Wing, which included approximately 15 C-130 Hercules and 15 C-17 Globemaster III aircraft from across the nation.

U.S. Air Force photo by Staff Sgt. Scottie McCord – November 2007

Modernization

The FY 2009 budget request for RDT&E and procurement continues emphasis on the Air Force's top five programs (Figure 2.3). The budget also procures 20 F-22 Raptors, six MC/HC-130s, six CV-22s, 38 Predators, nine Reapers, five Global Hawks and four Evolved Expendable Launch Vehicles, munitions, legacy modifications and classified programs.

MAJOR PROGRAMS

The key to providing transformational warfighting capability is the development of superior programs. The Air Force's top five priorities are the Tanker program, Combat Search and Rescue Helicopter (CSAR-X) program, Space Programs (TSAT and SBIRS), the F-35, and the New Bomber (Figure 2.3).

Figure 2.3 Air Force's Strategic Modernization Programs (selected)

System	(\$ billions)
F-35 Lightning II Program	3.4
Space Programs	
<i>Space Based Infrared System (SBIRS)</i>	2.3
<i>Transformational Satellite Comm. System (TSAT)</i>	0.8
New Bomber Phase 1	1.1
New Tanker Program	0.9
Combat Search and Rescue (CSAR-X) Helicopter	0.3
Total	8.8

Numbers may not add due to rounding

106-67

Source: United States Air Force – Includes RDT&E and Procurement

Tanker Recapitalization: Aerial refueling capability is essential to the expeditionary nature of the U.S. armed forces. Aerial refueling serves as a force multiplier and provides U.S. and Coalition air forces with increased range, persistence, and duration. For the past 50 years, the Air Force's primary tanker platform has been the KC-135, and it has served with distinction. Yet, given the increased OPTEMPO and the requirements of the GWOT, procurement of a new tanker aircraft has become both an operational necessity and the most fiscally prudent option for the future. The new tanker will provide increased availability, more adaptable technology, and greater capability. Enhancements in every aspect of aircraft operation will help to provide the Joint warfighter with more flexible employment options.

Combat Search and Rescue Helicopter (CSAR-X): The Air Force must recapitalize the CSAR forces to recover isolated Joint or Coalition personnel engaged across the spectrum of military operations, as well as to support non-combatant evacuation and disaster relief operations. The CSAR-X will relieve the high OPTEMPO strain placed on the current "low-density/high-demand" (LD/HD) inventory of HH-60G Pave Hawk helicopters. The CSAR-X dramatically improves mission reaction time, range, cabin space, survivability, battlespace awareness, and ability to conduct adverse weather and high-altitude hover

operations. The CSAR-X will provide personnel recovery forces with an aircraft that is quickly deployable and capable of main base and austere location operations for worldwide recovery missions. It will operate day or night, during adverse weather conditions, and in all environments, including nuclear, biological, and chemical conditions. Onboard defensive capabilities will permit the CSAR-X to operate in an increased-threat environment, and in-flight refueling will provide an airborne alert capability and extend its combat mission range.

Space Programs: The Air Force continues to strengthen its core competency in space through the robust enhancements in each of the space mission areas: Communication; Missile Warning; Position, Navigation, and Timing; and Space Situational Awareness. Providing a robust missile warning capability to the nation through enhanced space-based intelligence, surveillance, and reconnaissance (ISR) systems remains a priority in the FY 2009 budget. Development of SBIRS continues with hardware and software integration, which will lead to a planned launch of the SBIRS Geosynchronous Earth Orbit (GEO)-1 satellite in late 2009. Once fielded, SBIRS will provide a transformational leap in capability over the aging Defense Support Program system. Additionally, the Air Force continues to pursue next-generation satellite communications technology with the TSAT. The TSAT program will employ Internet Protocol (IP) networks, onboard routing, and high bandwidth laser communication relays in space, dramatically increasing warfighter communications connectivity. TSAT capabilities will enable the realization and success of the Department and Joint visions of future network-centric operations of the Air Force, Army, and Navy.

F-35 Lightning II: The F-35 Lightning II Joint Strike Fighter (JSF) multi-role aircraft is optimized for air-to-ground attack. The F-35 Conventional Take-off and Landing (CTOL) variant will recapitalize combat capabilities currently provided by the F-16 and A-10 and will complement the capabilities of the F-22. The F-35 will specifically provide affordable precision engagement

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and global attack capabilities for the Air Force, Navy, and Marines, and for international partners. The F-35 will be four times more effective than legacy fighters in air-to-air engagements, eight times more effective in prosecuting missions against fixed and mobile targets, and three times more effective in non-traditional ISR and Suppression of Enemy Air Defenses and Destruction of Enemy Air Defense (SEAD/DEAD) missions. It will support all of these capabilities at about the same procurement cost as legacy fighters but will require significantly less infrastructure and a smaller basing footprint.

New Bomber: Long Range Strike continues as a vital and unique Air Force contribution to national defense. The Air Force has a three-phased strategy to help ensure the U.S. meets its enduring Long Range Strike capability requirements. Phase One includes near-term maintenance and modernization of current bombers and air-to surface weapons. Phase Two will deliver, by 2018, a new manned bomber that has state-of-the-art technologies. This system will combine speed, stealth, payload, and improved avionics/sensors suites to be effective across the full range of military operations in meeting Combatant Commanders' global needs. In Phase Three, the Air Force plans to field a revolutionary Long Range Strike capability in the 2035 time frame using an advanced system-of-systems approach. By then, technology maturation could include advancements such as hypersonic propulsion and non-kinetic weapons.

SUMMARY

The warfighting capability of the nation depends on adequate funding to achieve Air Force goals and priorities. If the Air Force does not receive the funds requested in the FY 2009 budget request, current readiness will degrade and modernization and recapitalization priorities will be delayed. This significantly increases risk to the air, space and cyberspace missions the U.S. likely needs to fight future wars. Delaying modernization and recapitalization efforts will also mean increased costs for both current and future programs.

The Air Force is meeting its commitments today. But along with the stresses of the continued GWOT, emerging threats are a concern. The challenges to air and space dominance include proliferation of integrated air defenses, growth of fourth generation combat aircraft worldwide, proliferation of low-observable and cruise missiles, and threats to our current ability to leverage space and cyberspace. Recapitalization is an urgent national security need. The fiscal challenges of aging aircraft, aging facilities, increased personnel costs, and the cost of operating at wartime levels for 17 years have affected decisions to continue to transform and modernize the force. This FY 2009 budget submission balances the Air Force's modernization needs with operational and personnel program needs. The investments the Air Force is making in the systems and technologies will help the U.S. to maintain, and even increase, the technological advantage it has over its enemies. These investments will bring more capability and flexibility to Combatant Commanders for decades to come.



A U.S. Air Force F-16 Fighting Falcon aircraft flown by Maj. Marc Himelhoch from the 77th Fighter Squadron, Shaw Air Force Base, SC., looks for simulated targets and hostile aircraft during exercise Operation Iron Thunder. The aircraft is armed with AIM-120 Advanced Medium Range Air-to-Air Missile (AMRAAM) missiles on each wing and an AIM-9M Sidewinder missile (left wing).

U.S. Air Force photo by Staff Sgt Suzanne Day – February 2007

DEFENSE-WIDE AGENCIES

Defense-Wide Agencies

HIGHLIGHTS

Mission

It is the mission of the Department's agencies and field activities to produce and provide high quality products and services for the warfighter and a variety of support senior leaders.

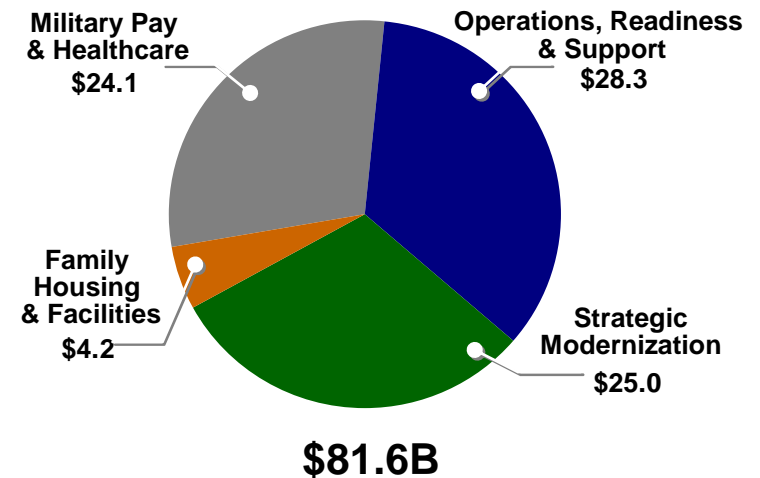
Funding Priorities

- Caring for Service members and their families
- Prevailing in the Global War on Terror
- Defending the Homeland
- Ensuring technology and information superiority

FY 2008 to FY 2009 is a +\$3.9 billion or 5.1% increase

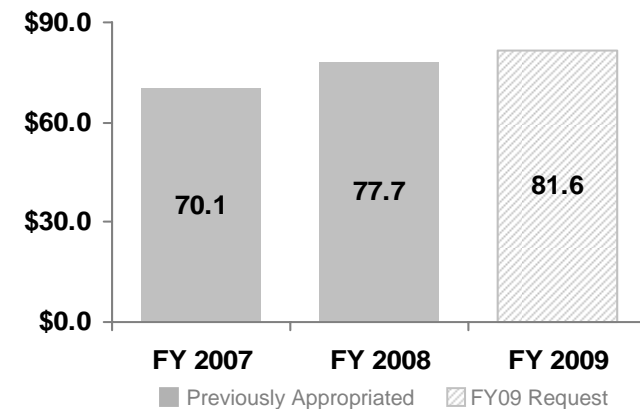
FY 2009 Defense-Wide Request

(\$ in billions)



Total Annual Cost

(\$ in billions)



Does Not Include GWOT
Numbers may not add due to rounding

DEFENSE-WIDE AGENCIES

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Defense-Wide <i>\$ in Billions</i>	FY 2007 Actual	FY 2008 Enacted	FY 2009 Request	Delta '08-'09	Percent Change '08-'09
Military Pay & Healthcare	21.5	23.9	24.1	+0.2	0.8%
Operations, Readiness & Support	21.9	26.0	28.3	+2.2	8.5%
Strategic Modernization	25.5	25.0	25.0	+0.0	0.0%
Family Housing & Facilities	1.3	2.7	4.2	+1.5	56.7%
Total Defense-Wide	70.1	77.7	81.6	+3.9	5.1%

Numbers may not add due to rounding

OVERVIEW

The FY 2009 President's Budget request includes \$81.6 billion to fund the Department's eighteen defense agencies, eleven field activities, select programs receiving their own budget allocation, SOCOM, the Joint Staff, and the Office of the Secretary of Defense. Defense agencies and field activities serve an important role by providing common capabilities centrally rather than establishing redundancies in each Military Department. The Department's organizational structure for defense agencies and field activities are shown in the Resource Exhibits (p. 227-8).

Defense agencies provide a variety of support services used throughout the Department. DoD Field Activities also consolidate initiatives and perform missions more limited in scope than defense agencies. Select organizations and activities – such as the Defense Health Program (discussed in the Healthcare and Wounded Warrior chapter) – receive their own budget allocations to ensure adequate funding is provided for these special interest programs.

The Defense-Wide submission advances key Department objectives including:

- Caring for Service members and their families through provision of high quality services including healthcare, education, and legal services;
- Prevailing in the Global War on Terror through the efforts of SOCOM to defeat terrorist networks through direct and indirect approaches and the Defense Security Cooperation Agency (DSCA) to build partnership capacity through the training and equipping of U.S. Allies and partners;
- Defending the Homeland through investments in missile, chemical, and biological defense and counternarcotics; and
- Ensuring technology and information superiority through research, development, test, and evaluation.

Further, this request includes critical enabling processes that ensure the Department is prepared to prosecute today's conflicts and respond to tomorrow's challenges through:

- Combat Support Agencies; and
- Management organizations that provide support to the Department's leadership.

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CARING FOR SERVICE MEMBERS AND THEIR FAMILIES

A key Department priority is caring for service members and their families. DoD recognizes that military families' quality of life is an important consideration, and the Department is committed to providing a high level of support to meet their needs and expectations. This responsibility is particularly significant as Service members and their families sacrifice daily to guarantee our security and further U.S. national interests around the world.

Congress has placed heavy emphasis on supporting active duty and Guard and Reserve members and their families. Both the Senate and the House supported continuity of family support funding in the baseline budget since these programs are an enduring need. This request reflects the importance placed on caring for Service members and their families. Agencies and field activities in support of that effort include:

Military Healthcare*

- Defense Health Program (DHP) – \$23.6 billion; and
- Military Medical Construction – \$0.5 billion.

Service Member and Family Assistance

- DoD Education Activity (DoDEA) – \$2.1 billion; and
- Defense Commissary Agency (DeCA) – \$1.3 billion plus approximately \$6.9 billion in Working Capital Funds

Personnel Support and Care

- Defense Human Resources Activity (DHRA) – \$0.6 billion;
- Defense Security Service (DSS) – \$0.5 billion;
- Defense Media Activity (DMA) – \$0.2 billion;
- Defense Acquisition University (DAU) – \$0.1 billion;
- Defense Prisoner of War/Mission Personnel Office (DPMO) – <\$0.1 billion; and

**Other Military Health Care costs are funded in the Service Accounts: Military Personnel in support of Health Care - \$7.1 billion; Health Care Accrual - \$10.4B*

- U.S. Court of Appeals for the Armed Forces – <\$0.1 billion.

Military Healthcare

For a detailed discussion of Military Healthcare, including the Defense Health Program, refer to the chapter on Healthcare and Wounded Warrior.

Service Member and Family Assistance

The DoD Education Activity (DoDEA) provides a world-class education program that prepares K-12 students in military communities around the world to be successful and responsible citizens in a dynamic global environment. The Department of



U.S. Navy Operations Specialist 1st Class Oliver Williams greets his family after returning to Naval Station Norfolk, VA., following a six-month deployment in support of maritime security operations aboard the guided-missile destroyer USS Arleigh Burke (DDG 51). Arleigh Burke is a part of the Enterprise Carrier Strike Group.

U.S. Navy photo by Mass Communication Specialist 2nd Class Julie Matyascik – December 2007

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Defense Dependents Schools educate 57,748 students in 132 schools located in 12 countries, while their domestic equivalent educates 29,286 students in 68 schools located in seven states. The DoDEA FY 2009 budget request of \$2.1 billion supports a continuation of the President's Foreign Language Initiative which promotes the study of critical need languages in grades K-12, the Educational Partnership Program designed to ease the transition of dependents to stateside schools as a result of global rebasing, and an initiative to strengthen the high school (grades 9-12) program to include advanced studies and enhanced college and career counseling.

The Department established the Joint Guard and Reserve Family Assistance program. Families with limited previous exposure to military systems now must deal with the likelihood of multiple and longer deployments for the Service member. This program creates a joint family support platform that integrates Federal, state, local, and non-profit resources creating a community in each state. This effort began in six states, and has been expanded to nine additional states. Ten more states will begin implementation by March 2008.

The commissary benefit, administered by the Defense Commissary Agency (DeCA), enhances military families' quality of life by providing them high quality grocery and household products at significant savings. DeCA continues to meet or exceed its performance goals, including increased sales without increased non-inflation costs; superior stewardship of funds; independent customer satisfaction ranking second among the U.S. largest private sector supermarket chains; and grocery savings of at least 30 percent compared to civilian supermarkets. Military personnel and families consistently rate the commissary among their most highly valued non-pay benefits. The FY 2009 budget submission for DeCA is \$1.3 billion and supports the delivery of the commissary benefit as an integral part of the total compensation package for military personnel.

Personnel Support and Care

The Defense Human Resources Activity (DHRA) enhances the operational effectiveness and efficiency of a host of dynamic and diverse programs supporting the Office of the Under Secretary of Defense for Personnel and Readiness. DHRA supports policy development for cutting-edge research and expert analysis, supports readiness and departmental reengineering efforts, manages the largest automated personnel data repositories in the world, prepares tomorrow's leaders through robust developmental programs, supports recruiting and retaining the best and brightest, and delivers both benefits and critical services to warfighters and their families. The Field Activity's missions have expanded between FY 2008 and FY 2009 to support emerging requirements and new initiatives. DHRA is able to implement new technologies and leverage existing data repositories to support critical initiatives. These include: implementing Presidentially mandated Federal credentials for physical and logical access, accommodating and mitigating the wide-ranging impacts of BRAC decisions, and supporting the integration of pay and benefit delivery systems with significant changes in personnel management and policy. In FY 2009, DHRA also takes on centralized support of critical National Security Education initiatives and language capability programs needed by our operational commanders to support emerging requirements around the world.

The Defense Security Service (DSS) as the premier provider of personnel and industrial security services in the Department, supports national security and the warfighter, secures the Nation's technological base, and oversees the protection of U.S. and foreign classified information in the hands of industry. The DSS requests \$0.5 billion to accomplish this mission by clearing industrial facilities, accrediting information systems, facilitating the personnel security clearance process, delivering security education and training, and providing information technology

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services that support the industrial and personnel security missions of DoD and its partner agencies.

In FY 2009, the Defense Media Activity (DMA) assumes the resources and functions of the former American Forces Information Service (AFIS), Air Force News Service Agency, Army and Air Force Hometown News Service, Marine Corps News, Naval Media Center, and the majority of the Soldiers Media Center. The Deputy Secretary directed this consolidation to implement a Base Closure and Realignment Commission recommendation and to achieve a streamlined organizational structure and opportunities for additional economies of scale in the execution of media functions. The Department requests \$0.2 billion for DMA to provide a common service of high-quality news, DoD and command information, and entertainment. This activity meets the requirements of the Military Services and Combatant Commands' U.S. forces stationed worldwide to promote and sustain unit and individual readiness, situational awareness, quality of life, and morale. Through its news production, television, radio, newspaper, print news service, and World Wide Web distribution services and facilities, the DMA is the primary tool for the Secretary and senior leaders to communicate important messages, news, and information about DoD programs and activities.

The Defense Acquisition University (DAU), with a \$0.1 billion request, is a corporate University providing mandatory, assignment specific, and continuing education courses for military and civilian personnel serving in 14 acquisition career fields. It educates and trains professionals for effective service in the Defense acquisition system. The DAU coordinates the DoD acquisition education and training program to meet the training requirements of more than 125,000 personnel serving in acquisition positions. Through its regional campuses, the DAU sponsors acquisition curriculum and instructor training to provide a full range of basic, intermediate, and advanced

courses to support the career goals and professional development of the acquisition workforce. The DAU also provides research, publications, symposia, and consulting in areas related to the acquisition functional areas. DAU is accredited by the Council on Occupational Education, a national institutional accrediting agency.

The Defense Prisoner of War/Missing Personnel Office (DPMO) is a Field Activity that recovers and accounts for missing personnel from previous and current military operations. The FY 2009 funding request is \$17 million for DPMO and remains stable, supporting case investigations, family outreach, and accounting of Americans lost in past conflicts (including World War II, the Cold War, the Korean War, the Vietnam Conflict, and the 1991 Gulf War). With White House sponsorship, DPMO proposed a national personnel recovery strategy that will, for the first time, direct USG agencies to plan, train, and equip for personnel recovery at the national and interagency levels. This will ensure USG efforts are synchronized and all USG personnel recovery operational and intelligence capabilities are fully integrated and prepared to respond to personnel recovery events. In FY 2009, DPMO will finalize and implement the Department's personnel recovery policy.

The U.S. Court of Appeals for the Armed Forces reviews cases from all of the Armed Services which involve serious court-martial felony convictions and sentences which present legal issues of serious constitutional magnitude. Costs in FY 2009 total \$13 million and include greater security and IT support requirements. This includes the use of more contracted security personnel and other security services.

PREVAILING IN THE GLOBAL WAR ON TERROR

The entire Department is committed to prosecuting the GWOT and succeeding in the Nation's fight against terrorists. Three Defense-Wide elements play particularly important roles:

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- Special Operations Command (SOCOM) – \$5.7 billion;
- Defense Security Cooperation Agency (DSCA) – \$1.0 billion; and
- The Joint Improvised Explosive Defeat Organization (JIEDDO) – \$0.5 billion. Its FY 2009 request is included in the Army Procurement account.

U.S. Special Operations Command

Unlike other Combatant Commands, SOCOM receives direct Defense-Wide appropriations to ensure continuous support for and management of the unique training and equipment requirements of Special Operations Forces (SOF). SOCOM's mission is to provide fully capable SOF to defend the U.S. and its interests, and to plan and synchronize operations against terrorist networks.

The U.S. is at war with a global enemy that can blend in with local populations and threaten our way of life. For this reason, the U.S. requires a small, yet highly skilled and robust organization that has the ability and resources to combat this enemy. SOCOM has been designated the lead DoD agency in the planning and synchronizing of operations for the GWOT. SOCOM also organizes, trains, equips, and deploys SOF to support Geographic COCOMs, Ambassadors, and their country teams. SOF are comprised of specially selected, trained, and organized Soldiers, Sailors, Marines, and Airmen, whose training, education, initiative, and experience set them apart from all others in the Department.

The SOCOM FY 2009 budget request of \$5.7 billion focuses on building SOF capabilities, capacity, and readiness to support a coherent strategy to find and fix terrorist networks through direct and indirect approaches. To support this strategy, SOCOM's FY 2009 budget estimate emphasizes increased capabilities to find and fix terrorist networks, synchronize GWOT planning and



execution efforts, and begins a transitional shift in the global posture of SOF.

Significant resources are required to support the growth of SOF personnel necessary to accomplish these initiatives and enhance SOCOM's ability to place its forces in exactly the right place on the global battlefield with the appropriate equipment, technology, and training. SOCOM's long term success in the GWOT depends largely upon its ability to rapidly employ a sustainable mix of capabilities. Non-traditional approaches are required to counter and defeat the elusive, asymmetric, and disruptive threats pervasive in today's operational environment. To meet this demand, SOCOM has invested in capabilities to improve systems, advance force operations, specialized training,

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institutional training, organizational structure, leap ahead technology, and force structure and manpower to support the Command's most important asset – its personnel. The SOCOM FY 2009 budget request includes the resources necessary to continue providing full spectrum, multi-mission global SOF that will provide our nation with a comprehensive set of unique capabilities.

SOCOM FY 2009 investments include:

- Unmanned Vehicles for Reconnaissance, Surveillance, Target Acquisition, Battle Damage Assessment, Intelligence Collection, and other beyond-visual-line-of-sight missions;
- Modified CV-22 aircraft for long range, high speed infiltration, exfiltration, and resupply to Special Forces teams in hostile, denied, and politically sensitive areas;
- Specialized aircraft capable of worldwide rapid deployment operations and penetration of hostile areas – MH-47 aircraft (currently the SOF platform of choice for executing the GWOT), the MH-60, and non-standard aviation assets;
- Replenishment of SOF ammunition for required training, combat missions, and war reserve stock;
- Recapitalization of the aging MC-130E/P airframes for clandestine or low visibility air refueling for SOF helicopters;
- Soldier Individual Protection and Survival Systems, which provide specialized equipment for SOF soldiers; and
- The Tactical Local Area Network (TACLAN), which provides advanced automated data processing and display capabilities to support situational awareness, mission planning and execution, and command and control of forces.

Changes from the FY 2008 budget include increased funding of flight operations, communications, intelligence, management, equipment maintenance, and specialized skills training. The FY 2009 budget also supports five additional Special Forces battalions over the FYDP. Decreases in the FY 2009 budget

include combat development activities and a decrease from the FY 2008 military construction request, which included the necessary facilities to support the growth of SOF, as stipulated in the 2006 QDR.

Defense Security Cooperation Agency (DSCA)

The mission of the Defense Security Cooperation Agency (DSCA) is to lead, direct, and manage security cooperation programs and resources. DSCA's objectives are to build partner capacities, strengthen defense relationships, and support partner nations' abilities to fight the global war on terror and to participate in other coalition operations. It also seeks to foster access and influence through the management and execution of assigned security cooperation programs and activities, and to promote the growth of democratic ideals through international defense education, training, and other programs

DSCA's FY 2009 request of \$1.0 billion includes funding for:

- Global Train and Equip programs, which allows COCOMs and Ambassadors, working together, to train and equip foreign military forces in response to urgent and emergent threats or opportunities to solve problems before they become crises that require major military interventions (See chapter on Building Partnership Capacity for more detail);
- Security and Stabilization Assistance authority, which allows DoD to transfer funds to the Department of State to facilitate civilian stabilization and reconstruction missions, bringing to bear non-military tools critical for success in complex security environments;
- The Regional Centers for Security Studies, which help counter ideological support for terrorism, harmonize views on common security challenges, and build the capacity of partner national security institutions consistent with the norms of civil-military relations;

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- The Partnership for Peace Information Management System, which provides an infrastructure in support of bilateral and multilateral security cooperation;
- Regional International Outreach, which develops and fields common information technology to improve international outreach and collaboration efforts;
- The Humanitarian Assistance program, which assures friendly nations and Allies of our support and provides basic humanitarian aid and services to populations in need;
- The Humanitarian Mine Action (HMA) program, which provides access, training, and readiness-enhancing benefits to forces and contributes to alleviating the highly visible, worldwide problem of landmines, unexploded ordnance, and small arms ammunition;
- The Foreign Disaster Relief and Emergency Response (FDR/ER) program, which enables COCOMs to respond timely and effectively to disasters in their areas of responsibility and to manage the humanitarian considerations of security crises; and
- The Defense Coalition Support Account provides military equipment that many coalition partners require to deploy with U.S. forces, to participate in stability operations and counterterrorism operations through the world. This account purchases, and keeps on hand, items most needed by our coalition partners.

Joint Improvised Explosive Defeat Organization (JIEDDO)

The mission of the Joint Improvised Explosive Defeat Organization is to reduce the strategic influence of all forms of Improvised Explosive Devices (IEDs) against Joint and Coalition Forces in Iraq and Afghanistan. This requires a comprehensive approach that combines an aggressive offense with a solid

defense. Prior to FY 2008, JIEDDO was funded entirely by supplemental appropriations.

The \$0.5 billion FY 2009 request funds three of JIEDDO's four line of operations:

- Attack the Network (\$0.3 billion): Funds support fusing information, integrating new capabilities, and developing new tools for modeling and simulation. The JIEDDO provides the warfighter operationally integrated products to enable deployed forces to conduct offensive operations;
- Train the Force (\$0.1 billion): Funds support individual and collective unit training prior to and during deployment for operations in an intense, fluid IED environment;
- Staff and Infrastructure (\$0.1 billion): Funds provide the critical support structure of civilian personnel, facilities and personnel contracts, professional training and information contracts, travel, and supplies that enable the other lines of operation to produce results required in the C-IED effort; and
- Defeat the Device: No funds requested at this time.

DEFENDING THE HOMELAND

Defending the homeland is the U.S. military's most basic mission. It involves the deterrent posture and capabilities to convince adversaries that they cannot achieve their objectives by attacking the U.S. and consequence management capabilities should an attack occur. These capabilities include:

- Missile Defense Agency (MDA) – \$9.3 billion;
- Chemical and Biological Defense Program (CBDP) – \$1.5 billion; and
- Counternarcotics (CN) – \$1.1 billion.

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Missile Defense Agency

The mission of the Missile Defense Agency (MDA) is to develop, test, and prepare for deployment a missile defense system. Using complimentary interceptors, land-, sea- air- and space-based sensors, and battle management command and control systems, the planned missile defense system will be able to engage all classes and ranges of ballistic missile threats in all phases of flight. The programmatic strategy is to develop, rigorously test and continuously evaluate production, deployment and operational alternatives for the ballistic missile defense system to provide emerging warfighting capability.

In its FY 2009 request, the Department continues to develop, field, and sustain a layered Ballistic Missile Defense System (BMDS) to protect the U.S., our Allies, and deployed forces from attacks by ballistic missiles of all ranges in all phases of flight. The strategic objectives for the BMDS are to maintain and sustain the initial capability, while continuing to close gaps and improve this capability against the current threat and provide options to address future emerging threats. Initiatives will continue the production and fielding of the integrated ground-based Missile Defense system; development of mobile Terminal High-Altitude Area Defense (THAAD) ground-based system; continued production and fielding of forward based radars; production and delivery of the Aegis Ballistic Missile Defense mobile sea-based capability. See the Major Weapons Systems chapter for a further discussion of Missile Defense.

Chemical and Biological Defense

The Department's Chemical and Biological Defense Program (CBDP) is a key part of a comprehensive national strategy to counter the threat of chemical and biological weapons. The CBDP provides research, development, and acquisition programs primarily to support counterproliferation and consequence management. In support of counterproliferation,

the DoD CBDP provides passive defenses tailored to the unique characteristics of the various chemical and biological weapons, including emerging threats. These capabilities provide U.S. forces the ability to rapidly and effectively mitigate the effects of a Chemical and Biological (CB) attack against deployed forces. In support of consequence management, the DoD CBDP provides capabilities to respond to the effects of weapons of mass destruction (WMD) used against U.S. forces deployed abroad and the homeland.



U.S. Army Maj. Don Troxell, 115th Mobile Public Affairs Detachment commander, watches his unit as they leave the gas chamber in a chemical, biological, radiological and nuclear attack training exercise at Fort Dix, N.J. Troxell walked through the chamber as well and wears the black residue of a decontamination kit on his face.

U.S. Army Photo – July 2007

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The CBDP funds research to exploit leading edge technologies to ensure that U.S. forces are equipped with world class capabilities to defend against CB threats in the coming years. The FY 2009 budget request includes support for a comprehensive science and technology base program to ensure continued advances in CB defense capabilities. CBDP Science and Technology research provides core capabilities to ensure U.S. technological advantages through the far term, including research into advanced chemical and biological detection systems, advanced materials for improved filtration systems and protection systems, advanced decontaminants, investigations into the environmental fate of chemical warfare agents, advanced information technologies, medical biological defense research, and medical chemical defense.

Counternarcotics

The clear linkages between international narcotics trafficking and international terrorism constitute a threat to U.S. national security interests. The global and regional terrorists who threaten U.S. interests can finance their activities with the proceeds from narcotics trafficking. The Department's counternarcotics efforts contribute to homeland defense, foster cooperation with U.S. agencies, strengthen alliances with partner nations, and form relationships with new international partners otherwise reluctant to cooperate with DoD in counter-terrorism and other military activity.

In accordance with its statutory authorities, the Department will continue to use its counternarcotics resources as effectively and efficiently as possible to achieve national counternarcotics priorities, as well supporting efforts in the GWOT. The FY 2009 budget request of \$1.1 billion will fund mandatory counternarcotics detection and monitoring missions; permissive counternarcotics support (information sharing and building partner capacity) to domestic and host nation law enforcement and/or military forces; and drug demand reduction activities internal to the Department.

ENSURING TECHNOLOGY AND INFORMATION SUPERIORITY

Technology and information are critical enablers to success in both asymmetric and conventional warfare. The Department strives to stay on the leading edge of innovation through its investments in:

- Defense Advanced Research Projects Agency (DARPA) – \$3.3 billion;
- Test Resource Management Center (TRMC) – \$0.2 billion;
- Defense Technical Information Center (DTIC) – \$0.1 billion; and
- Defense Technology Security Administration (DTSA) – <\$0.1 billion.

DARPA's mission is to maintain the technological superiority of the U.S. military and prevent technological surprise from harming national security by sponsoring revolutionary, high-payoff research that bridges the gap between fundamental discoveries and their military use. DARPA conducts its mission by searching worldwide for revolutionary high-payoff ideas and then sponsoring research projects that bridge the gap between fundamental discoveries and their military use. DARPA is the Department's only research agency not tied to a specific operational mission; it supplies technological options for the entire Department and is designed to be a specialized "technological engine" for transforming DoD. DARPA's FY 2009 request for \$3.3 billion would fund a joint Air Force/DARPA program to develop technologies for rapid access to space and hypersonic cruise vehicles; enhancements to Command, Control, and Communications systems; and DARPA agency relocations.

The Test Resource Management Center (TRMC) oversees proposed budgets and expenditures for DoD's test and evaluation facilities, develops a strategic plan for test and

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evaluation at these facilities, and assesses the adequacy of the Major Range and Test Facility Base to support the development and fielding of major weapon systems. It administers and executes the Science and Technology/Test and Evaluation Program, which develops technologies to verify the performance of advanced weapon systems. TRMC's FY 2009 request of \$0.2 billion would enable it to complete and continue efforts to improve test and evaluation capabilities.

The Defense Technical Information Center (DTIC) provides timely and effective exchange of Scientific and Technical Information and Research & Engineering Information. DTIC's FY 2009 request of \$0.1 billion funds continued development, technical support, and hosting services for more than 100 DoD websites with an average of 65 million accesses per month. It also provides core funding, management, and oversight for 10 Information Analysis Centers, which collect, analyze, synthesize, and disseminate scientific and technical information.

The Defense Technology Security Administration (DTSA) prevents the transfer of sensitive technologies that threaten U.S. military superiority to countries that pose security threats. DTSA's FY 2009 \$34 million request will fund continued protection of critical technologies.

PROVIDING COMBAT SUPPORT

Combat Support Agencies (CSAs) fulfill combat support or combat service support functions for joint operating forces across the range of military operations, and in support of combatant commanders executing military operations. Combat Support Agencies include:

- Defense Information Systems Agency (DISA) – \$2.1 billion appropriated (\$8.0 billion including Working Capital Funds);
- Defense Threat Reduction Agency (DTRA) – \$1.2 billion;
- Defense Contract Management Agency (DCMA) – \$1.1 billion;

- Defense Logistics Agency (DLA) – \$0.9 billion appropriated (\$38.9 billion including Working Capital Funds); and
- Intelligence Agencies and Activities – Classified.

Defense Information Systems Agency (DISA)

DISA is responsible for planning, engineering, acquiring, fielding, and supporting global net-centric solutions. The goal of net-centricity is to provide the right information to the right person at the right time. DISA focuses on connecting warfighters to one another and to critical information in a trusted and timely manner. DISA seeks to provide a network and capabilities that



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will meet the demands of the GWOT and commanders' needs for information; be available and secure to effect military operations around the globe; and be agile and flexible enough to keep pace with technology and the increasing demands for authentic trusted information. DISA also provides systems to help simplify the complex interoperability issues associated with coalition warfare and homeland security.

The FY 2009 request of \$2.1 billion would fund DISA's key missions:

- Transition to a net-centric environment, including Net-Centric Enterprise Services, in which data is continuously available in a trusted environment to enable decision-making superiority that results in increased mission effectiveness;
- Build and sustain a secure Global Information Grid (GIG) transport infrastructure that eliminates bandwidth constraints and rapidly surges to meet demands, wherever and whenever needed. In addition to its appropriated funds DISA finances sustainment of the GIG via the Defense Working Capital Fund (DWCF) and reimbursements from customer accounts; and
- Transition to enterprise-wide capabilities for command and control and combat support that exploit the GIG for improved decision-making. The Net-Enabled Command Capability (NECC) dynamically and persistently matches warfighter command and control (C2) requirements to capability development to identify and prioritize Joint warfighter needs and expedite getting solutions to the field.

Defense Threat Reduction Agency (DTRA)

The Defense Threat Reduction Agency provides a variety of means supporting a layered defense strategy to counter WMD. DTRA's efforts cut across the three pillars of the National Strategy to Combat WMD: nonproliferation, counterproliferation,

and consequence management. DTRA further serves as the primary Combat Support Agency for the U.S. Strategic Command in its role as lead COCOM for integrating and synchronizing combating WMD efforts. DTRA provides integrated technical and operational solutions and provides the intellectual capital to shape both DoD and national-level policies and strategies to address WMD. The \$1.2 billion FY 2009 budget request will allow DTRA to bring a dedicated, full-time,



U.S. Navy Damage Controlman 3rd Class Ryan Howard clears a sprinkler system of debris on the flight deck of USS Kitty Hawk (CV 63) as the ship tests its countermeasure wash down system, while under way in the South China Sea. Wash downs provide a blanket of water protection to the exterior of a ship during a chemical, biological or radiological attack. Kitty Hawk operates from Fleet Activities Yokosuka, Japan.

U.S. Navy photo by Mass Communication Specialist 3rd Class Kyle D. Gahlau – November 2007

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and integrated focus to its mission of safeguarding the U.S. and our Allies from WMD (chemical, biological, radiological, nuclear, and high-yield explosives (CBRNE)) by providing capabilities to reduce, eliminate, and counter the threat and mitigate its effects.

Defense Contract Management Agency (DCMA)

The Defense Contract Management Agency serves as America's vital link between the warfighter and industry. The DCMA uses its insight into contractor operations to produce predictive information about contractor capability to meet program goals and schedules. As a combat support agency, DCMA provides customers with contract management and acquisition support services wherever and whenever needed. The FY 2009 budget request of \$1.1 billion reflects a decrease in full time equivalent personnel (FTEs) and the associated reduction in travel, training, and equipment purchases.

Defense Logistics Agency (DLA)

The Defense Logistics Agency is responsible for providing worldwide logistics support for the missions of the Military Departments and the COCOMs under conditions of peace and war. Responsibilities include the acquisition, storage, and distribution of most of the Department's spare parts and other consumable items, reutilization and marketing of excess military property, document automation services, and operation of the Defense National Stockpile. The FY 2009 budget request of \$0.9 billion includes an increase for recapitalization of fuel facilities and continued levels of funding for research, development, testing, and evaluation.

Intelligence Functions

Combat support agencies with intelligence functions are discussed in detail in the chapter on Intelligence.

Leadership Support

A number of Defense-Wide agencies and activities exist to support civilian and military leaders as they guide the Department and support the warfighter:

- Office of the Secretary of Defense (OSD) – \$4.2 billion;
- Washington Headquarters Services (WHS) – \$0.9 billion;
- Joint Staff (JS) – \$0.5 billion;
- Defense Contract Audit Agency (DCAA) – \$0.4 billion;
- Business Transformation Agency (BTA) – \$0.3 billion;
- Office of the Inspector General (OIG) – \$0.2 billion;
- Office of Economic Adjustment (OEA) – \$0.1 billion;
- National Defense University (NDU) – \$0.1 billion;
- Defense Finance and Accounting Service (DFAS) – <\$0.1 billion appropriated (\$1.4 billion including the Working Capital Fund); and
- Defense Legal Services Agency (DLSA) – <\$0.1 billion.

Office of the Secretary of Defense (OSD)

The Office of the Secretary of Defense is the principal staff element of the Secretary for the exercise of policy development, planning, resource management, fiscal, and program evaluation responsibilities. The FY 2009 request of \$4.2 billion funds the staff, offices, and special projects for each of the Secretary's Principal Staff Advisors (\$1.7 billion). The single largest program funded in the Operation and Maintenance account is the Commanders' Exercise Engagement and Training Transformation (CE2T2) Program (\$0.7 billion), which is managed by the Under Secretary of Defense for Personnel and Readiness. The Science and Technology program of the Director for Defense Research and Engineering constitutes the majority of the RDT&E program (\$2.4 billion). The OSD also requests \$0.1 billion for procurement of equipment.

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Washington Headquarters Services (WHS)

The Washington Headquarters Services is a field activity that provides centralized, consolidated administrative and operational support to DoD activities in the National Capital Region. The FY 2009 request of \$0.9 billion funds Pentagon and General Services Administration (GSA) rents, information technology, supplies and support services for OSD and other components, and BRAC-related costs (\$0.3 billion). The Operation and Maintenance account request of \$0.5 billion includes additional funding (<\$0.1 billion) and 75 civilian billets to provide the level of support required by the OSD and other components. The WHS also requests military construction and procurement funding (<\$0.1 billion).

Joint Staff (JS)

The Joint Staff supports the Chairman of the Joint Chiefs of Staff in his role as the principal military adviser to the President, the Secretary, and the National Security Council. The Chairman relies upon the expertise resident on the Joint Staff to craft and promulgate guidance for combatant forces' unified strategic direction, operation under unified command, and integration into an efficient team of land, naval, and air forces. In this capacity, the Joint Staff meets the Nation's security challenges and facilitates its strategic objectives by providing Combatant Commands, Services, and U.S. warfighters with joint policy, strategy, and doctrine.

Joint Staff funding, requested at \$0.5 billion for FY 2009, guarantees the joint readiness and training needed to ensure U.S. capability to employ joint combat forces worldwide. Several programs combine to make up the Joint Staff's funding request. Historically, 58 percent of all Joint Staff funding directly supports Combatant Command operations. The Combating Terrorism Readiness Initiatives Fund; the COCOM Initiatives Fund; the COCOM Command and Control Initiatives Program; the

Command, Control, Communications, Computers, and Intelligence for the Warrior program; the Planning and Decision Aid System; and the Joint Theater Air and Missile Defense Organization all directly support the COCOMs. The Joint Staff also budgets for the joint data and analytic support programs and the day-to-day operations and facility rent of the Joint Staff.

Defense Contract Audit Agency (DCAA)

The Department requests \$0.4 billion for the Defense Contract Audit Agency, which is responsible for performing all necessary contract audits for the Department and providing accounting and financial advisory services regarding contracts and subcontracts to all DoD Components responsible for procurement and contract administration. These services are provided in connection with negotiation, administration, and settlement of contracts and subcontracts. DCAA also provides contract audit support to all DoD components as part of the military operations and reconstruction effort in Iraq. DCAA's contract audit function is an integral part of the oversight and management controls instituted by the DoD to ensure integrity and regulatory compliance by Defense contractors.

Business Transformation Agency (BTA)

As the single agency responsible for DoD Enterprise business transformation functions, the BTA establishes and enforces requirements, principles, standards, systems, procedures, and practices governing business transformation. For FY 2009, with a request of \$0.3 billion, the BTA will work to support business operations.

Office of the Inspector General (OIG)

The Office of the Inspector General independently and objectively audits, investigates, inspects, and evaluates the program and operations of the Department to recommend policies and process improvements that promote economy,

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efficiency, and effectiveness and detect and prevent fraud, waste, and abuse in DoD programs and operations. Over the last three years, the OIG has achieved \$23.9 billion in savings and \$4.9 billion in recoveries for the nation. The Inspector General is the only DoD official qualified to issue opinions on the financial statements of the DoD. The OIG also informs DoD management and Congress about the problems and deficiencies in programs and operations and the progress of corrective actions.

In FY 2008, Congress increased OIG funding to provide enhanced contractor oversight. The OIG hired 73 additional auditors, evaluators, criminal investigators, and required support staff to meet this need. The OIG implemented an initiative to improve training for Combatant Command and joint inspectors general supported by five additional positions. The FY 2009 budget request supports the annualized civilian FTEs staffing (growth of 78 FTEs compared to FY 2007 levels). The FY 2009 program also includes the implementation of the Secretary's decision to transfer the Intelligence Oversight function with nine FTEs from the Office of the Assistant Secretary of Defense for Intelligence Oversight to the OIG.

Office of Economic Adjustment (OEA)

The Department's Office of Economic Adjustment assists communities that are adversely impacted by Department changes. Technical and financial assistance provided under this program ensure affected communities can plan and carry out local adjustment strategies, engage the private sector in ventures to plan and/or undertake economic development and base redevelopment, and partner with the Military Departments as they implement BRAC actions in support of the DoD mission. The amount of OEA funding gradually declines as the BRAC execution timeline ends. The funding levels also vary depending on actual community needs

National Defense University (NDU)

The National Defense University's \$0.1 billion in funding supports the premier academic center for joint professional military education, preparing military and civilian leaders from the U.S. and other countries to evaluate national and international security challenges through multidisciplinary educational and research programs, professional exchanges, and outreach. Components of the Washington, DC based university include, but are not limited to, the National War College, Industrial College of the Armed Forces, Information Resources Management College, Institute for National Strategic Studies, and Joint Forces Staff College. NDU is a primary DoD center for seminars and symposia and frequently supports DoD



U.S. Air Force Airman 1st Class Martin Johnson, 332nd Expeditionary Aircraft Maintenance Squadron crew chief, marshals Capt. Thomas Graham, 4th Expeditionary Fighter Squadron, to the flightline at Balad Air Base, Iraq. Graham and Johnson are deployed from Hill Air Force Base, Utah.

U.S. Air Force photo by Staff Sgt. Joshua Garcia – October 2007

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and Congressional representatives with professional development and conferencing. NDU is accredited by the Commission on Higher Education of the Middle States Association of Colleges and Schools.

Defense Finance and Accounting Service (DFAS)

The Defense Finance & Accounting Service serves as the Executive Agent, responsible for finance and accounting activities within the DoD. It is the single organization responsible for finance and accounting operations, procedures, and systems. DFAS provides finance and accounting management and operational support for appropriated, non-appropriated, revolving and trust funds. DFAS operations touch a large population of customers through the payment of civilian and military personnel, military retirees, and annuitants; and through the collection and disbursement of a wide variety of funds for contracts, debt management, security assistance, transportation, and travel. The Defense Working Capital Fund finances all DFAS functions.

Defense Legal Services Agency (DLSA)

DLSA provides legal services to the OSD, Field Activities, and Defense Agencies. The largest component, the Defense Office of Hearings and Appeals (DOHA), adjudicates cases that arise from all Military Departments and Defense Agencies. The DOHA provides hearings and issues decisions in personnel security clearance cases for contractors performing classified work for DoD components and other Federal Agencies. In addition, the Office of Military Commissions facilitates preparation for and trial of cases before military commissions, consisting of an



Amphibious assault ship USS Tarawa (LHA 1) transits the Indian Ocean. Tarawa and embarked 11th Marine Expeditionary Unit are on a scheduled deployment

U.S. Navy photo by
Mass Communication
Specialist Seaman
Jon Husman –
December 2007

appointing authority function, prosecution, and defense functions. The FY 2009 budget request of \$35 million includes customary expenses including salaries and benefits, travel, rental of office space, rental of equipment, communications, and the cost of supplies and equipment.